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NEWS SUMMARY

GENERAL

Tehran pledge on oil traffic

Iran guaranteed to keep the Straits of Hormuz open to ensure oil supplies from the Gulf. Back Page.

President Saddam Hussein of Iraq is pressing ahead with an offer for ceasefire talks with Iran, despite its rejection by Iranian leader Ayatollah Khomeini.

Richard Johns in Baghdad writes: Iraq is deeply embarrassed by the failure to press home its military offensive. Foreign Press trying to cover the war in the crucial southern front have been sent back to Baghdad. Page 3

Zimbabwe move to end violence

Zimbabwe Prime Minister Robert Mugabe announced that army units were being deployed against "armed dissidents and indisciplined party militants" in several parts of the country.

"There have been senseless killings of civilians and other acts of armed violence in several areas, especially in and around Salisbury, Sinoia and Bulawayo over the last two weeks," he said.

Life for killer

A 40-year-old factory worker was jailed in Belfast for life for the killing of a former part-time Ulster Defence Regiment member last year.

Hotel closes

The Rio Park hotel, Benidorm, investigated by health authorities after a British tourist died from Legionnaire's disease, closed indefinitely.

Editor sentenced

Victor Sokiroko, editor of an underground Soviet journal, was given a three-year suspended jail sentence in Moscow after confessing to slandering the Soviet state.

Reward offered

The Post Office offered a reward for information leading to conviction of four raiders who shot a Cheshire sub-postmistress, who had a leg amputated.

London 'dearest'

London is the most expensive city in Europe to locate an international executive on a short-term basis, says a survey by management consultants. Page 7

Prelates' plea

Roman Catholic prelates at a Vatican synod called for a more flexible church outlook on divorce, but reaffirmed their condemnation of abortion and artificial birth control.

Crossing bid ends

A 60-year-old man failed in his attempt to cross the Atlantic in a barrel after completing 70 yards of the 3,000 mile voiage from Land's End to Florida. The tide washed him ashore after 50 minutes.

Warning voice

New Toyota cars have a built-in warning system—with a female voice telling the driver when petrol is low, seat belt unfastened, and doors are not shut.

Briefly . . .

Seventeen workers were killed in two mining accidents in the Transvaal, South Africa.

The toll from last Friday's bomb explosion at the Munich beer festival rose to 13 when a 17-year-old youth died

Bill Wright, who devised and produced BBC TV's Mastermind, has died, aged 58.

BUSINESS

Gold index up 27.4; sugar at 5yr high

● EQUITY leaders continued Tuesday's rally, gaining six points by noon before easing back. The FT 30-share Index closing 2.2 up at 483.2. South African golds rose sharply, the Gold Mines Index climing 27.4 to 524.3. Page 32

● GILTS also moved up, some longs improving more than a point although the trend eased slightly after hours. The Government Securities Index firmed 0.56 to 70.74. Page 32

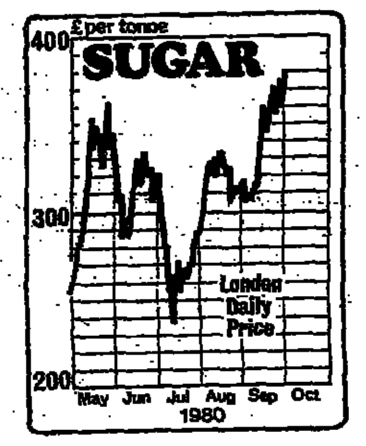
● STERLING moved up 35 points to $2.3910 but eased overall, its trade-weighted index finishing at 75.8 (76.0). DOLLAR was weaker, closing at Y208.50 (Y210.85), its lowest level since March, 1979. Its index fell to 83.5 (83.8). Page 29

● GOLD rose $10 in London to $680.50. Page 29

● WALL STREET was 2.48 up at 934.90 before the close. Page 30

● TOKYO: The Nikkei Dow average reached a record for the third consecutive day, rising 46.62 to 7,123.08. Page 30

● SUGAR: The London daily price for raw sugar rose by £20 to £380 a tone, the highest level since January, 1975. Page 31



● MONOPOLIES Commission has allowed Blue Circle Industries, the cement group, to go ahead with its £30m bid for Armitage Shanks, the bathroom fittings company. Back Page and Page 8

● PEKO-WALLSEND heads a consortium of Australian mining concerns considering establishing a A$3bn (£1.47bn) liquefaction plant in Queensland to produce oil from coal. Back Page

● TRICENTROL OIL has received outline planning consent for a £10m liquid petroleum gas terminal in Shetland, with a pipeline link to the nearby Sullom Voe oil complex. Page 8

● Banque Nationale de Paris is arranging a $250m seven-year Foating Rate Note which includes a margin of ¼ per cent over the three month London inter-bank offered rate. Page 26

● CHEMICAL BANK of the U.S. has signed agreements with five big Chinese organisations, to help co-operation between U.S. and Chinese enterprises. Page 5

● LLOYD'S underwriters have agreed the settlement of a $300m (£125.5m) insurance claim with El Paso,

● GLYNWED Domestic and Heating Appliances plans to close two Manchester factories with the loss of over 700 jobs.

COMPANIES

● SONY Corporation of Japan, which expects record earnings for 1979/80, will make a 15m share public issue to raise nearly Y50bn (£98.5m) for a massive capital spending programme. Page 28

● ANCHOR Chemical Group's first-half pre-tax profits slipped from £350,000 to £267,000, with turnover static at £7.07m (£7.16m). Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 13¼pc '93 ...	£106⅛	+ 1¼
Treas. 15¼pc '98 ...	£112¾	+ 1¼
Armitage Shanks ...	113	+ 5
Assd. Newspapers	309	+ 24
Babcock Intnl. ...	99	+ 6
Crouch Group	136	+ 14
Daily Mail A	518	+ 22
Electronic Machine	44	+ 4
Farnell Elec.	340	+ 13
Ferranti	457	+ 27
Hawker Siddeley ...	228	+ 8
Ladbroke	217	+ 6
Paradise (B.)	45	+ 4
Pritchard Services	98	+ 5
Robertson Foods ...	94½	+ 5½
Redland	173	+ 5
Royal Bk. Scotland	105	+ 6
Thorn EMI	348	+ 8
Trafalgar House ...	71	+ 5
Union Discount ...	510	+ 15
Berkeley Explor. ...	240	+ 18
Candecca	240	+ 7
KCA	169	+ 7
LASMO	768	+ 23
Anglo-Amer. Gold...	£56	+ 4¼
Gopeng Cons.	730	+ 60
Kitchener Mining...	330	+ 30
Leslie	196	+ 19
Minorco	670	+ 110
Poseidon	338	+ 11
Randfontein Est. ...	£43½	+ 2⅝
West Driefontein ...	£49½	+ 2¾
Western Deep	£32¼	+ 2¼
Western Hldgs. ...	£49	+ 3¼
FALLS		
Anchor Chemical ...	73	− 11
Bass	216	− 5
Distillers	215	− 4
Reed Intnl	187	− 6
Thomson T-Line ...	45	− 10
Whitbread A	156	− 6

LABOUR PLEDGES EEC WITHDRAWAL ● SEEKS NEW LEADERSHIP ELECTION PROCESS

Three victories for the Left

BY RICHARD EVANS, LOBBY EDITOR, IN BLACKPOOL

TOTAL CONFUSION reigned in the Labour Party last night after its annual conference backed Left-wing demands for a new method of electing the leader, but failed to agree on a system.

The vote came at the end of a day of disasters for Mr. James Callaghan and the moderate wing of the party. These included the adoption of a resolution making Britain's withdrawal from the European Community a priority in Labour's next election manifesto.

This could be of major significance for Britain's future relations with the Common Market, but it was the constitutional setbacks that created most uproar. They could win the Left much greater control over the party and thus make more likely the prospect of a split.

The position might not be clear for several days but it seems certain that a savage blow has been dealt by Mr. Denis Healey's hopes for taking over the leadership from Mr. Callaghan before the end of the year.

The big question is whether Mr. Callaghan will now be persuaded by trade union and party leaders to stay on until the chaos has been resolved and a new method of election devised, or whether he will resign and an election go ahead in November under the present system.

Mr. Healey would probably be elected by the present electoral college of the Parliamentary Labour Party but he would not be acceptable to the party's rank and file who would insist on an election under new methods.

Interviewed on BBC television last night, Mr. Healey raised the possibility of the party following the West German example and having two leaders—one for the parliamentary wing and one for the party in the country. He said that if Mr. Callaghan did resign before the party had agreed on how to implement the conference decision, the election would have to be under the existing rules.

The significance of the change in method of electing a leader is that the party's MPs are much more moderate in outlook than the party conference. Any change in the electoral college would allow Left-wing elements in the constituency parties and in the trade unions greater influence.

It was a day of triumph for Mr. Anthony Wedgwood Benn, who has led a formidable and extended campaign to wrest the reins of party power from the parliamentary leadership.

First, the Left won the constitutional amendment proposing the mandatory re-selection of MPs once in each Parliament. This the Right believes will make moderates vulnerable to sacking by a small caucus.

Mr. Callaghan then, by the narrowest of votes, beat off Left-wing attempts to transfer control of the party manifesto from parliamentary leadership to the national executive.

Then came the sensation. Against all expectations, the conference voted narrowly in favour of the principle of a broader college for electing the leader—involving trade unions and the constituencies as well as MPs.

It then had to decide between two options, one giving the trade unions, constituency parties and MPs one-third each of the votes and the other giving the unions 50 per cent, MPs 25 per cent and constituency party representatives 25 per cent.

In a deliberate spoiling move, both were rejected because of the 900,000 votes of the Right-wing leadership of the Amalgamated Union of Engineering Workers who had been mandated against their wishes into supporting the principle of an electoral college.

There was uproar in Blackpool's Winter Gardens as AUEW delegates protested against the tactics of Mr. Terry Duffy, union president, and Sir John Boyd, general secretary, but the vote stood. The conference had decided the principle but not the method.

The party's NEC went into immediate session to try to sort out the unprecedented muddle.

As the party's commission of inquiry had failed over the past year to find a viable formula for a new method of electing the leader, it is improbable that the NEC will do it before the conference ends tomorrow.

At the end of the two-hour meeting, described by one member as "chaotic," it was agreed that the executive should meet again this morning to consider a range of options for an electoral college. The aim would be to put one proposal to the conference and so get through the necessary constitutional amendment.

But there was no great optimism that this could be achieved. At best, some members felt that such a proposal would get through the conference with such a slim majority that it would do nothing to dispel the idea of a greatly divided party.

A special constitutional conference in some weeks' time is another possibility.

In the meantime, much will depend on the decision taken by Mr. Callaghan on his retirement. He could now remain in office for longer than anticipated.

An option being canvassed by the Left last night was that Mr. Michael Foot, deputy leader, could stand against Mr. Healey as an interim leader. Should Mr. Foot win, he would stand down in a year's time when new rules will have been formulated.

Right-wing leaders like Mrs. Shirley Williams, Dr. David Owen and Mr. William Rodgers were deeply depressed by what must be regarded as a spectacular series of triumphs for Mr. Benn and the Left. Not only

Continued on Back Page

● Details of the Blackpool debates and other conference news. Page 10
● Editorial Comment. Page 22

Closure of News leaves London with just one evening paper

BY JOHN LLOYD AND PHILIP BASSETT

LONDON WILL have only one evening newspaper—the Evening Standard—from the beginning of next month, when the Evening News will cease publication.

A deal between Associated Newspaper, owner of the Evening News, and the Express Group, owner of the Evening Standard, which was evidently announced prematurely yesterday, was described as a merger between the two papers.

However, it was clear that the net effect of the agreement between the two companies is the closure of the Evening News, now estimated to be losing between £7m and £10 a year.

The companies' joint statement was precipitated by a prior announcement from the Department of Trade that consent had been given to the merger.

The main features of the agreement are:

● The loss of virtually all jobs on the Evening News. Redundancies, notices of which are expected to go out tomorrow, will total 1,750. Redundancy payments, which will run into many millions of pounds, will be wholly financed by Associated Newspapers.

● A new company—the Evening Standard Ltd—will be formed, with Associated and Express each holding a 50 per cent stake. Lord Matthews, chairman of Express Newspapers, will be chairman of the board. The Express Group has bought the Evening News title for a nominal sum, while Associated has bought the 50 per cent holding in the Evening Standard for an undisclosed cash figure.

● A new editor—neither Mr. Lou Kirby, editor of the News, nor Mr. Charles Wintour, editor of the Standard—will be appointed. Lord Matthews paid tribute to Mr. Wintour's 20-year stint at the Standard, and said he had "something else in mind for him."

Details, Page 8
More redundancy news, Page 6

In a joint statement, the two companies said the new paper would "blend the best features of both newspapers."

Unconditional consent to the merger has already been given by Mr. John Nott, the Trade Secretary, with no reference being made to the Monopolies and Mergers Commission. The Department of Trade statement said that Mr. Nott consented to the merger under section 58(3) (b) of the Fair Trading Act, which specifies that where a partner in a newspaper merger is shown not to be economic as a going concern, then consent is automatic. Otherwise, all newspaper mergers have to be referred to the commission.

However, Lord Matthews said he was "surprised and disappointed in the way in which the Government announced these proposals." He said he had seen Mr. Nott last Thursday, but had expected to be given "at least 48 hours more" to tell the unions about the deal.

The leaders of the print unions, most of whom were in Blackpool last night at the Labour Party conference, reacted bitterly to the news. Mr. Les Dixon, president of the National Graphical Association, said the NGA would fight the closure decision.

He was speaking before a hurriedly-arranged meeting in Blackpool between representatives of Associated Newspapers and the union leaders called to discuss the closure.

Mr. Dixon's warning follows a unanimous decision by the NGA national council to oppose any merger between the two evening papers. He has written to the other print unions calling for a joint policy of opposition to the closure in the interests of job protection and the freedom of the Press.

Mr. Bill Keys, general secretary of the Society of Graphical and Allied Trades and chairman of the TUC's Printing Industries Committee, said he was appalled by the lack of consultation with the unions.

Echoing this, Mr. Ken Ashton, general secretary of the National Union of Journalists who met Lord Matthews in Londo last night, said all print union leaders had recently been given an undertaking that they would be told of a merger.

Lord Matthews said that there was no guarantee that the new Evenig Standard, currently losing over £1m a year, would be profitable. He warned that it would be a "hard winter" for Fleet Street, and several times blamed unio restrictive practices for the losses.

He said that he would expect a print run of between 600,000 and 700,000 a night, all of which could be accommodated on existing machinery. He said that present agreements with the unions covered the extra print run.

The latest circulation figures for the two papers, covering the first six months of this year, are: Evening News, 460,000. Evening Standard, 372,000.

Prime rises again

BY DAVID LASCELLES IN NEW YORK

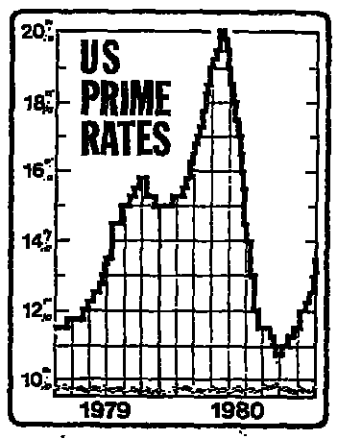
THE U.S. prime rate moved higher again yesterday by half a percentage point to 13.5 per cent, extending the sharp rise on the last four weeks.

The move to increase prime—the rate banks charge their best corporate borrowers—was led by Chase Manhattan Bank, and most major banks followed by lunchtime. An exception was Citibank of New York, but it was expected to join the rise before the end of the week.

Some kind of upward move had been foreshadowed by the recent rise in short-term interest rates. But because the banks have for the second time in succession gone for a half-point rise, when increases are usually a quarter of a point at a time, made the move look particularly bold.

The resurgence in interest rates has been caused by the rise in economic activity and the persistent weekly increases in the money supply. Although economists are increasingly coming to the view that high rates should damp down the economy, there is no sign of any easing of pressure on the credit markets yet.

Some of the uncertainty about the outlook may be relieved by the new money supply figures due out



tomorrow. A decline would be welcome, but analysts have been so far off target in their forecasts since midsummer that few care to make firm predictions.

The increase in primes came as no surprise to Wall Street, but it added to the gloom which has been settling over the financial community in the last few days, and shares drifted lower in early trading.

£ in New York

—	Sept. 30	previous
Spot	$2.3835-3845	$2.3868-3878
1 month	0.62-0.55 dis	0.63-0.56 dis.
3 months	1.05-0.98 dis	1.01-0.94 dis.
12 months	1.25-1.15 dis	1.10-0.95 dis.

Board warns on reactor inquiry

BY DAVID FISHLOCK, SCIENCE EDITOR

IT WILL be impossible to start building Britain's first pressurised water reactor (PWR) before 1983, and even then only if the public consultation procedures are kept to a maximum of about six months, the Central Electricity Generating Board (CEGB) has warned the Government.

The CEGB confirmed yesterday that its first PWR plant is to be Sizewell B station, 1,200 MW, in Suffolk, supplying power to East Anglia and the greater London area.

The Government has said that it wants to start a new programme of nuclear reactor construction, including PWRs, at the rate of one a year starting in 1982.

But the preliminaries to construction of the first PWR will involve obtaining statutory Government consent, design approval by the Nuclear Installations Inspectorate, a public inquiry, and possibly a parliamentary debate of the inquiry inspector's findings.

The CEGB has undertaken to have its design for a "British PWR" for Sizewell B ready for statutory consent and a nuclear site licence early next year.

The Government has already stated that the planning application for the first PWR will be called in for a public inquiry, but has not yet disclosed what form it will take.

On its present schedule, the CEGB hopes to hear from the Government's nuclear inspectors that they would be willing to license its design for Sizewell B by mid-summer, 1982. "But it won't be earlier," cautioned one board member.

This means that the Government must act very quickly, by the standards of such public inquiries as Windscale and the Vale of Belvoir, if the CEGB is to have any chance to start construction early in 1983.

Within the space of less than a year must be compressed not only the inquiry itself but also the drafting of its report, and possibly time for a parliamentary debate before the Government announces its decision.

The CEGB says that Westinghouse Electric, as the original reactor designer, and the Bechtel Corporation, a U.S. architect-engineer organisation, are working closely with the National Nuclear Corporation (NNC) on the design of Sizewell B.

The Government wants the NNC to take full responsibility for the project. But the CEGB argues that, although it wants the NNC to carry "a degree of risk," a company capitalised at £10m cannot shoulder full responsibility for a £1bn project.

The two parties are still trying to reconcile their positions: But the Government earlier this week terminated the management contract with GEC under which the NNC has previously operated, in the first step towards a simpler and more independent nuclear organisation.

A local anti-nuclear group, the Stop Sizewell B Association, yesterday attacked the CEGB announcement in the light of its planned closure of 22 power stations. The association asserted that "leading British scientists, notably Sir Alan Cottrell, are on record as saying that the PWR is inherently less safe than other systems."

Energy statistics, Page 8

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For latest Share Index phone 01-246 8026

Summit goodwill may have hastened EEC accords

BY JOHN WYLES IN BRUSSELS

EFFECTIVE pressure by the European Commission coupled with the beneficial impact of the recent Anglo-French summit are among reasons being cited for an unusual outbreak of agreement in the EEC Council of Ministers this week.

On three consecutive days, the council ended months of deadlock to complete important agreements on fisheries conservation, a new marketing system for lamb and on 1980 imports of New Zealand butter.

While it takes Nine member states to make an agreement, much of the credit for this week's progress is being given variously to Britain and France. Some Community officials believe that Britain's conciliatory conduct in the budget council ten days ago coupled with its new flexibility in the fisheries negotiations has helped draw a more compromising stance out of France on lamb and butter.

Final agreement on the lamb regime does not take the EEC any closer to its looming budget ceiling. Some £166m had been written into the draft 1981 budget to cover its anticipated costs next year.

There were no overt links between any of the issues but it is not unprecedented in the EEC for an atmosphere of agreement to spill over from one set of negotiations to another. Moreover, senior officials in London believe that Mrs. Margaret Thatcher's insistence in Paris that the British "were trying to be good Europeans and to reach agreements in good time" may well have touched a chord during the summit with President Valéry Giscard d'Estaing 13 days ago.

Hard-headed view

However, a more hard-headed view is that France ceased blocking agreements on sheep and lamb for two reasons. The first flowed from a meeting 10 days ago between M. Raymond Barre, the French Prime Minister, and Mr. Finn Olav Gundelach, the EEC Agriculture Commissioner, who said that France's illegal ban on lamb imports was no longer tolerable. Mr. Gundelach is said to have threatened that if the bank continued, the Commission would expose and try to remedy shortcomings in the way France fulfills its financial obligations to the Community.

The other possible explanation for French tactics is the increasing influence of next year's presidential election. The new lamb regime is not only of clear financial benefit to French farmers but it also offers assured protection for three-and-a-half years against imports of New Zealand lamb.

France's position on New Zealand butter was expected to change once it had won this concession on third country lamb imports as, indeed, it did. This deal, however, covers only the balance of 1980 and the much more difficult argument over how much New Zealand butter should be allowed into the EEC in future and for how long has yet to be settled.

This will not be an Anglo-French issue since Denmark, Ireland and Holland will line up with France in favour of opening the doors to substantially less than the Commission has proposed and than Britain and New Zealand want.

Bundesbank inquiry into overseas lending

By Stewart Fleming in Frankfurt

THE BUNDESBANK, the West German Central Bank, has asked more than 30 leading banks to begin supplying detailed information on overseas loans in 12 developing countries.

The move signals a new effort by the Bundesbank to improve its supervision of foreign lending when there is growing concern in the world about the exposure of commercial banks in financially stretched countries.

The 12 countries are: Egypt, Argentina, Brazil, Iran, Yugoslavia, Mexico, Peru, Poland, South Korea, Thailand, Turkey and Venezuela.

The Bundesbank declined yesterday to elaborate on how it had selected the 12 shares. And its circulation to the denies that the list constitutes a "blacklist" of problem borrowers.

However, the list clearly encompasses some of the major international borrowers about which bankers and central bankers are concerned because of their heavy debts to international banks, and in some cases the formidable problems they face in adjusting to the rise in oil prices over the past two years.

The inclusion in the list of some countries with substantial oil reserves suggests that another factor behind the choice of the 12 nations may be the Bundesbank's own estimates of the scale of German banks' lending commitments.

It is not clear how the banks will respond to the Bundesbank request, which covers West German and foreign subsidiaries of the banks. The request is being made through the banks' West German offices. At present the banks are not legally required to supply information from their unconsolidated foreign subsidairies.

Secrecy respetced

The Bundesbank is apparently seeking to reassure banks by making it clear that it does not want such details as addresses of borrowers, that the information is for statistical purposes and that the banking secrecy of, for example, Luxembourg subsidiaries will be respected.

Peter Montagnon writes: Among Euromarket bankers there was some concern yesterday that, despite the Bundesbank's denials, the list of countries would be interpreted by the market as discrimination against selected borrowers.

Until now the Bundesbank has been careful to avoid such discrimination and banks are perplexed by the present list, which one senior banker described as rather "impetuous." The banks were anxious to know, for example, why Thailand had been included when the Philippines, which has been a much larger borrower in the Euromarkets, was not.

This is also the first time that information of this nature has been sought from Luxembourg subsidiaries of German banks which handle much of the lending. Some bankers in Luxembourg were less sanguine than the Bundesbank about whether local bank secrecy laws will permit them to divulge the necessary information.

Polish independent union approved

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S FIRST independent union has been registered formally by the authorities. The Warsaw Provincial Court yesterday approved the statute of an independent union for employees of LOT, the Polish national airline.

The LOT union, which has about 800 members, applied for registration on September 24, the same day as Solidarity, the independent union headed by Mr. Lech Walesa from Gdansk, which claims some 3m adherents. Solidarity is still awaiting approval.

Talks began in Gdansk yesterday between Mr. Walesa and Mr. Mieczyslaw Jagielski, a Deputy Premier, on the conditions under which Solidarity would call off tomorrow's one-hour nationwide protest stoppage. Solidarity says the Government has not fulfilled its promises on wage rises within the period agreed at the end of last August's strikes.

Meanwhile, the tone of Press articles on the trial of Mr. Kazimierz Tyranski, former head of Minex, the state foreign trade company dealing in construction material, suggests that senior government officials, who are alleged to have covered up for him, will be named in court.

Mr. Tyranski is charged with taking bribes totalling well over £500,000 from Austrian and Swedish businessmen over the past decade. The trial is due to begin next week.

Zycie Warszawy, the Warsaw daily newspaper, said the trial "will demonstrate not only his guilt but will also reveal the mechanism of widespread privilege, nepotism and immunity from the law" which allowed him to act.

● Poland had a $300m deficit in its hard currency trade over the first eight months of this year, according to Rynki Zagraniczne, the Polish trade paper. Hard currency exports income over this period totalled $5.2bn, while hard currency imports cost $5.5bn.

Earlier this year, before industrial unrest threw economic plans into disarray, Western bankers were told that Poland was aiming for a $370m hard currency trade surplus this year. But Rynki Zagraniczne now reports short-falls in export targets of many basic goods such as hard coal, sulphur, cement, caustic soda and sugar.

The overall deficit in Poland's trade with both Comecon and the West amounts to 2.3bn foreign currency zlotys (£315m) in this period. Imports of many raw materials from Poland's Comecon partners have also been delayed. There is a 1m tonne shortfall in iron ore imports as well as 137,000 tonnes of steel products

COMMUNIST LEADERS WARY OF 'EVENTS' IN POLAND

East bloc on guard for labour unrest

BY LESLIE COLITT, RECENTLY IN POLAND

COMMUNIST LEADERS from Berlin to Bucharest are carefully analysing what they still call the "events" in Poland—the mass strikes that led to Eastern Europe's first independent trade union—in order to prevent similar outbreaks at home.

Although there is no sign of workers in other Warsaw Pact countries following the Polish lead, East European officials say the security chiefs of their countries have reviewed measures to isolate and extinguish labour unrest quickly if it erupts.

The East Germans, Poland's western neighbours, are less than sympathetic toward Polish workers after years of criticising Poles who streamed into East Germany to buy goods scarce back home. A few spontaneous strikes have taken place in East Germany in recent years but were localised by the government trade union which took a conciliatory line towards the work-orientated demands.

Apart from enjoying a much higher standard of living than in Poland, most East Germans assuage their grievances about their society by watching West German television. Wholly discontented East Germans invariably want to emigrate to West Germany. The bond forged between Polish workers and intellectuals would be difficult to attain in East Germany where the German tradition of non-solidarity between workers and intellectuals lives on.

Passivity is also enforced by the 380,000 Soviet troops in East Germany in addition to a massive internal security network. Every East German factory and large office has its Working Class Combat Groups, paramilitary units of Communist party members numbering 400,000 men.

Czechoslovakia, too, has its People's Militia, armed units of party members at places of work, along with the police and the National Security Corps. The party realises it cannot rely strongly on these armed citizens after Czechoslovak workers and the army supported Alexander Dubcek, the reforming Communist leader, in 1968. However, ordinary Czechoslovaks today are unwilling to oppose the authorities after the searing experience of the Soviet invasion.

Hungary too has its Workers Guards, the Munkasaörseg, established after the 1956 uprising. They have never seen action despite several work stoppages in recent years over unprofitable factories scheduled for closure. The local works committees of the state trade union have been more willing to stand up for workers' rights than those in most other East European countries.

It was no coincidence that Mr. Janos Kadar, Hungary's Communist leader, last week stressed the important role the unions were playing in defending citizen's interests. The widespread approval of Mr. Kadar's policies has been enhanced by the steadily rising standard of living in Hungary where Poles flocked to buy consumer goods. Inflation, though, is higher this year than wage rises and the Government is trying to avoid tension by its "open dialogue" with citizens on Hungary's problems.

Romania, with its low wages, poor supplies of food and consumer goods, and a 46-hour working week, would appear to be ripe for Polish-style strikes. President Nicolae Ceausescu, however, has been able to rally the hard-pressed population behind his "Romania First" policy. The Securitate, Romania's political police is ruthlessly effective

In August, 1977, 30,000 Romanian coal miners went on strike for better pay and working conditions. After several high officials had failed to cope with the strikers, President Ceausescu personally promised imporvements. Afterwards, retribution against the strike leaders was swift. In a recent speech, Mr. Ceausescu spoke of the need for "direct working class participation" in decision-making to prevent the "aggravation of some contradictions and to avoid some phenomena which could be caused by them."

East European officials say hard-line party leaders believe one of the main lessons of Gdansk is that internal security in factories and offices must be strengthened. Three young Gdansk workers who began the strike at the Lenin shipyard recently told this correspondent that neither workers in the party nor security police informers tried to stop them.

On August 14, the three young men arrived at the shipyard at 4.30 am loaded down with "posters and several thousand pamphlets" containing three demands. One of the men, 24-year-old Bogdan Felski, handed to workers leaving the early shift pamphlets which were also read by men entering the yard.

In the locker room of section K-5, Jurek Borowczak (23), another strike leader, and 30 other workers decided to march across the entire shipyard to section K-3 where 23-year-old Ludwik Pradzinski, the third strike leader, worked.

"Join us and put an end to the lying. We want to strike," the marchers called out. When they reached K-3 they were nearly 100 strong.

By 5.30 am Mr. Ludwik and Mr. Bogdan had put up posters in K-3 and by 6.00 am had 100 men out on strike. Shortly afterwards, when the K-3 party secretary arrived and ordered the posters removed, he was handed a strike pamphlet by one of the workers. The factory's 30 security guards, who were responsible for keeping unauthorised people outside the gates quickly joined the strike.

When the party First Secretary of the Lenin shipyard greeted the marchers with the words, "What does this mean?" he was reassured by several of the workers that it was "only a strike." After he refused to discuss their first demand—the reinstatement of the sacked worker Anna Walentynowicz—they marched on, leaving him engulfed by workers.

The rest is now history. But the three young workers who recounted their role in the strike said it would have spread no matter how many "loyal" party or security force officials had been planted in the factory. Only the use of armed force could have stopped the workers, they said. And that would have unleashed an upheaval.

PARTY TO TIGHTEN HOLD

EACH ONE of East Germany's 77,000 Communist party cells, with 2m members, is to hold elections for new first secretaries, all of whom have been proposed by the party, writes Leslie Colitt. The votes will be held between now and December 6 in a move to heighten the "solidarity" of the party with the "masses," "and thus increase the leading role of our party."

Since the strikes in Poland, the East German leadership has stressed that the party must become more powerful. The main Communist newspaper, Neues Deutschland, said yesterday that party cells are to be "strengthened" in all areas of life and that "comrades are to be politically and ideologicaly prepared for the demands of the 1980s."

Thorn talks in Mideast leave Nine uncertain over next steps

BY OUR BRUSSELS CORRESPONDENT

THE COMPLETITION this week of M. Gaston Thorn's fact-finding mission to the Middle East has left EEC Governments uncertain and divided about how to develop a peace-making role for the European Community.

After talks in Jerusalem on Tuesday, M. Thorn, the current president of the EEC's council of ministers is said to have held out the possibility of a major decision on the issue at the Community Heads of Government meeting on December 1-2.

There are strong doubts in several member states, however, as to whether the Nine will be ready to go much further than their June declaration in Venice calling for Palestinian self-determination and guaranteed security for Israel broadly within its pre-1967 borders.

So far, the only advance by the Thorn mission, which was designed as a preliminary to a possible initiative, is a high-level meeting of the Euro-Arab dialogue participants now planned for November 11-13 in Luxembourg.

With M. Paul Helminger, Luxembourg's Minister of State, in the chair, this meeting will attempt to relaunch the technical project work of the dialogue, which has been moribund since 1975.

More significantly, however, it will prepare for the first ministerial level meeting of the dialogue sometime next year and will establish a political committee for the first time.

Both the proposed meeting and the political committee are concessions to Arab demands that Middle East political questions should be discussed within the framework of the dialogue.

EEC states are strongly divided as to how useful the dialogue might be in developing a European peace initiative. The UK regards it as irrelevant at best while others, including West Germany and Ireland, believe that it may provide a possible vehicle for pushing EEC objectives.

In the short term, it does not now look as though M. Thorn's mission will be followed by another round of fact-finding this month. M. Thorn himself does not want to go back to the Middle East because of pressure of work.

The UK believes that the EEC ought to be doing something in October to maintain an impression of activity which would also be filling the diplomatic hiatus imposed by the U.S. Presidential elections.

Experts from the Nine foreign ministries will gather sometime after the EEC Foreign Ministers in Luxembourg next Tuesday to try to work out possible EEC positions on the main issues: Palestinian self-determination, Israeli sovereignty and security, and any physical guarantees the Nine could offer to back a comprehensive peace settlement.

French attack fibre subsidies

BY TERRY DODSWORTH IN PARIS

FRANCE'S hard-pressed manufacturers of artificial fibres bitterly attacked other EEC countries yesterday for giving subsidies to their textile industries.

French manufacturers say the subsidies breach common EEC policy for the sector agreed in 1978. According to M. Louis-Charles Barry, head of the French Artificial Textiles Manufacturers' Association, Belgium, the Netherlands and Italy had all recently granted aid to their domestic textile producers, despite the freeze on investment also decided in 1978.

These developments in the European industry come at a time when rapidly increasing imports of U.S. fibres and textiles have caused havoc in the French industry. The French producers were now in such a weak position, M. Barry said yesterday, that the Government would have to step

The association now wants the Government either to force its partners in Europe to stop subsidising their industries—something which, it admits privately, is an unlikely step—or to give French companies similar assistance.

At the same time it would like similar aid to that received by the steel industry to slim down its labour force, along with a co-ordinated plan to help exports, protect the industry from imports and induce competitive investment.

In order to compete on an equal basis with U.S. companies, the French are also calling for measures to overcome the 15 per cent advantage enjoyed by U.S. producers because of its domestic energy policy.

Behind the French attack on their fellow Europeans and the Americans lies the fear that the enormous rationalisation effort undertaken by the industry in recent years may yield very few benefits.

The main burden of this restructuring has been within the Rhone-Poulenc chemicals group, which is now close to the end of its reorganisation programme. But the company's half-year results showed a deterioration rather than an improvement in its results.

In effect, the French feel that they have played according to the rules which others have ignored. In the process, the industry has been forced to cut its workforce from a high point of 22,700 in 1973 to 12,000 this year and its production by 61,000 tonnes to 175,000.

Honecker for Austria state visit

BY OUR BERLIN CORRESPONDENT

Herr Honecker: to Vienna in November.

EAST GERMANY's Communist leader and President, Herr Erich Honecker, is to go to Austria on November 10, his first state visit to a Western country. It is the return for a visit to East Berlin in May by Dr. Bruno Kreisky, the Austrian Chancellor.

The invitation to Herr Honecker was extended in January by President Rudolf Kirchschläger, of Austria, when Herr Oskar Fischer, East Germany's Foreign Minister, held talks in Vienna. Herr Honecker is to confer with President Kirchschläger as well as with Chancellor Kreisky and will visit the Austrian Parliament.

He will also tour the Voest steel and engineering company in Linz which is bidding to construct a DM 1.6bn (£400m) steel plant at Eisenhöttenstadt on the Oder river, against strong West German, Japanese and French competition.

Herr Honecker's only previous trip to a Western capital as East German leader was to Helsinki in 1975, for the final session of the European Security Conference, but this was not a state visit. He was born and raised in the Saarland, now part of West Germany and, as a pre-war Communist official, he travelled in several West European countries before his arrest in 1935 by the Gestapo and sentencing two years later to 10 years imprisonment for "high treason."

Spain plans for growth of 2.5% next year

BY DAVID GARDNER IN MADRID

THE SPANISH Government is aiming at a growth rate for the economy of 2.5 per cent in 1981, according to projections for next year released by the Ministry of Finance. This compares with a projected growth in GDP this year of 0.5 per cent.

The main stimulus for growth in 1981 is expected to come from a significant boost in public sector investment, which is due to rise 31 per cent.

The Ministry of Finance estimates that fixed capital formation will increase 3.5 per cent after two years of negative growth. Because of the big increase in Government investment, domestic demand, which has been stagnant this year, is expected to increase by 1.8 per cent in 1981.

The projections estimate that inflation will be held down to 13.5 per cent. This is almost four percentage points below the level of this year and would be the lowest rate for the past four years if it is achieved.

Increased indirect taxes will, it is estimated, add approximately one percentage point to the consumer price index in 1981. The main items to be taxed more will be tobacco and petroleum products.

The Ministry has not given details of the proposed increases, but has indicated that it intends to raise a further Pta 40bn (£230m) through higher oil taxes and a further Pta 31bn in taxes on cigarettes and tobacco. There will also be higher taxes on gambling.

In all, higher indirect taxes are expected to raise an extra Pta 160bn. It has also been revealed that Pta 20bn will be cut from the defence budget for 1981.

Jimmy Burns in Lisbon reports on Portugal's election campaign ahead of polling this Sunday

Enthusiastic voters approach poll in festive mood

With Portugal's general election taking place on Sunday, the Portuguese are in a festive mood with all the signs pointing to a massive turnout at the polls.

In Lisbon, Oporto and Setubal, the three main cities which will provide 118 out of the 250 deputies to be elected, traffic is in a state of almost permanent chaos as lorries filled with the party faithful parade with their bright T-shirts, their music, and their laughter.

In smaller towns and villages the excitement is expressed on a lesser scale but with equal enthusiasm. One intrepid deputy last week braved 80 kilometres of dirt track at dead of night through Portugal's abandoned Tras-os-montes region just to attend a rally of 200 peasants in an isolated community built of mud huts.

The sheer energy of the campaign reflects partly on the good weather and a seemingly endless school holiday. Yet it stems much more from the conviction of the political parties that this is perhaps the most important election to have been held here since the revolution.

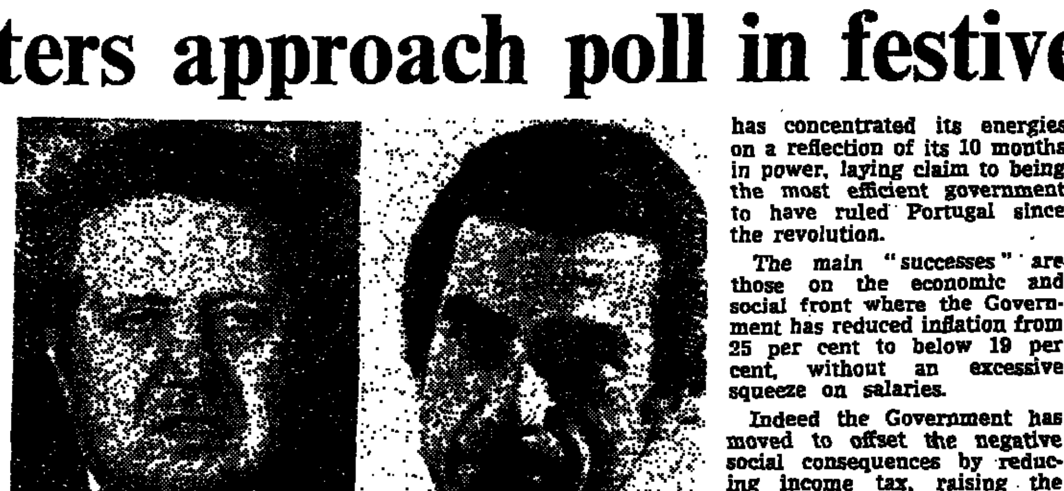
The snap election last December, which was won by the centre-right democratic alliance with 42.2 per cent of the vote, aroused little enthusiasm if only because the parties knew that whoever won they would rule only for ten months before a full four-year legislature was voted in by a fresh general election. The exception was the Alliance which judged, correctly as it turned out, that the wish for change mattered more in the end than the time limits imposed by the constitution.

As Sunday's poll approaches, the determination to win is shared by the main opposition party, the Socialist and Republican fronts (FRS), led by the Socialist Party of Sr. Mario Soares. Indeed it is the Socialists' campaign that in terms of originality and organisation appears to have carried on where the Democratic Alliance finished off.

The Socialists and their allies have had the biggest rallies, the most impressive firework displays, and the best-conceived party political broadcasts on TV. Visually the FRS has given an impression of change. But the front, composed of Socialists, breakaway Social Democrats, and Marxist independents, has tended to extend the image of the Portuguese Socialist Party as ideologically ambiguous.

In their thirst for power all sides in the electoral battle appear temporarily to have sacrificed serious debate on the two major issues that will confront the new parliament: the revision of the constitution and Portugal's accession to the EEC.

Portugal's present constitution, formulated soon after the revolution, gives the armed forces, through the military Council of the Revolution, a considerable hold on the country's political life, it also enshrines nationalisations as an irreversible conquest of the working class. Membership of the EEC, scheduled for 1983, will demand major changes in Portugal's political and economic structures. Thus if Portugal's first free elections in 1976 represented the birth of a Western democracy, the parliament emerging after October 5 will be made responsible for the shaping of it.



Sr. Mario Soares (left), leader of the main opposition party, which has criticised Prime Minister Francisco Sa Carneiro (right).

In the past the leaders of Portugal's major political groupings, with the exception of the Communists, have made it known that they are in broad agreement on prospective entry into the EEC and on the dissolution of the military Council of the Revolution. But during the campaign consensus has been set aside and no party has ventured a more detailed assessment of the issues at stake.

The FRS, in particular, has shown itself particularly adept at mudslinging. It has concentrated on attacking the financial activities of Sr. Sa Carneiro, the Prime Minister, and on his no less unorthodox private life. The Socialists accuse the ruling Alliance of having squashed a parliamentary inquiry into allegations over Sr. Carneiro's affairs. They have also criticised the Prime Minister's relationship with a Danish divorcee, while still being legally married to the Portuguese mother of his five children.

The ruling Alliance has side-stepped both accusations during the campaign. Sr. Carneiro is suing for libel the Communist newspaper that first published the debt allegations, while he continues whistle stop campaigning with his mistress at his side. Instead, the Alliance has concentrated its energies on a reflection of its 10 months in power, laying claim to being the most efficient government to have ruled Portugal since the revolution.

The main "successes" are those on the economic and social front where the Government has reduced inflation from 25 per cent to below 19 per cent, without an excessive squeeze on salaries.

Indeed the Government has moved to offset the negative social consequences by reducing income tax, raising the minimum monthly wage, and increasing pensions. At the same time the Government has gone further than any of its predecessors in reviving a measure of business confidence

Early this summer it began to pay compensation bonds to shareholders affected by the revolution, and introduced a new system of fiscal and financial incentives for the private investor.

The Alliance, however, has also provided its share of mudslinging. Near the northern town of Braganza last week, a candidate broke with the official policy of not "pandering to the opposition's propensity for slander" and accused Socialist leader Mario Soares of being a "contrabandist." But easily the most consistent and outspoken attack has been that by Sr. Sa Carneiro on President Ramalho Eanes.

From the first day of the campaign, the Prime Minister has made every effort to scuttle General Eanes' political image, accusing him of being not just a hopelessly inefficient President but also a veiled Communist.

Portugal's presidential elections are due in December and Sr. Sa Carneiro claims that non-Socialist government in Portugal will be impossible as long as President Eanes remains in office. Sr. Carneiro has intimately linked his own political future to the presidential issue by declaring that he will resign if President Eanes is re-elected.

The last opinion poll by Sr. Carneiro's own party on the presidential elections showed General Eanes still to be widely popular. Of those questioned, 54 per cent said they would vote for him in December against 12 per cent who said they favoured the Government's own candidate, General Antonio Soares Carneiro.

Sa. Sa Carneiro is, of course, banking on the prospect that his ruling Alliance will be returned with a majority on Sunday, and that this will set in motion the eventual defeat of the President. General Eanes has staked his own political future on the general election results. Not only is the FRS the only major political grouping openly to have declared its support for his re-election, but General Eanes has allowed himself to be filmed in party political broadcasts with Dr. Soares.

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Saddam Hussein's punch into Iran loses momentum

BY RICHARD JOHNS IN BAGHDAD

IRAQ'S MILITARY offensive against Iran finally seems to have run into the ground, deeply embarrassing the authorities in Baghdad, who yesterday ordered the foreign Press corps trying to cover the war in the crucial southern front back to the capital.

A big final heave so that the Iraqi armed forces can take control over its strategic objectives, is expected over the next two days. Prestige, in particular, is staked upon the subjugation of Ahwaz, capital of the oil-rich southern province of Khuzestan, as well as Khorramshahr and Abadan, along the Shatt al-Arab.

Iraq has otherwise achieved its military objectives and occupied those border areas in the northern sector that it claims. But it has failed to cut off Khuzestan completely, thereby bringing Iran economically to its knees.

Yesterday in Baghdad diplomats of states sympathetic to Iraq were deeply depressed by Ayatollah Khomeini's defiant *assertion that Iran would continue to resist.*

There can be no doubt that Iraq with its heavy foothold within Iranian territory along a very broad front, has obtained most of the bargaining counters that it sought in its attempt to force Iran to accept its sovereignty over the Shatt al-Arab and also its claims to marginal pieces of territory along the border. Honour therefore has been more than satisfied.

Nevertheless, it has become clear over the past two days *that it has failed to get the* stranglehold it desired.

This may have accounted for the length of the talks between the Islamic goodwill mission led by President Zia-ul Haq of Pakistan and President Saddam Hussein of Iraq together with leading members of the ruling Baathist regime in Baghdad on Monday night and Tuesday morning.

Undoubtedly President Zia departed from Baghdad much more satisfied with the seriousness of the reception that he received here compared to the one in Teheran. However, he sees little hope of an early ceasefire being agreed.

For the indefinite future, the prospect is one of both military and diplomatic impasse. In this situation Iraq, quite apart from its plentiful foreign exchange reserves, estimated to amount to about $30bn is much better placed.

The war has been long planned and military supplies carefully hoarded so that it can contemplate a long occupation of the areas of Iran now occupied. Necessary consumer goods have also been stockpiled.

For Iraq the danger is that a long struggle, like that of Syria in its attempt to police the Lebanon, will ultimately be politically and socially a strain.

Long war could cost Iraq dear

BY JAMES BUXTON

THE REASONING which appeared to guarantee success for President Saddam Hussein's *assault on Iran was that the* revolution there had weakened Iran's armed forces and thereby neutralised its advantages of geography and size of population.

With Iraqi forces now bogged down in what appears to have *become a war of attrition,* it may be that the Iraqi leader, who is not a military man, miscalculated.

The implications could be devastating both for him and the whole region. The price of personal failure in the Middle East is high. Iran appears to be bringing up forces from other parts of the country for a counter-attack. Iraq could find it necessary to widen the war and divert the Iranian forces by attacking Iran from the Arab Gulf states, which would spread the conflagration to the rest of the world's major oil exporting region.

President Hussein appears to have calculated that the combination of purges of the Iranian officer corps, the *absence of maintenance crews* for Iran's sophisticated tanks, aircraft and ships, and shortages of spare parts, replacements and ammunition meant that it would be possible to consolidate *his hold* on the Iranian territory he wanted, forcing Iran to stop fighting.

With its armed forces currently inferior to Iraq's, he apparently expected the fact that Iran's population is three times the size of Iraq's and that *the core of Iran consists of* mountains in contrast to Iraq's heartland of plain would count for nothing.

In practice, the often dogged resistance of Iran's *Islamic* Revolutionary Guards has held up the Iraqi forces in their advance on the crucial oil producing areas just across the Shatt al-Arab, so that the *four* main towns Iraq is trying to take — Abadan, Khorramshahr, Ahwaz and Dezful — are still, at least partially, in Iranian hands.

In the air the Iranian air force has managed at least to *match* its Iraqi *counterpart,* even though it is not operating at its full strength on paper and has suffered losses. It has succeeded in striking again and *again at targets* deep inside Iraq, including the capital Baghdad. The damage Iraq has caused to Iran's oil industry may have been matched equally by the damage Iran has inflicted on Iraq's.

The serious damage to the Abadan refinery is likely to cost Iran much of its fresh supplies of jet fuel, vital for its air *force.* If Iraq causes sufficient damage to the crude oil pipelines at Ahwaz and Dezful, that *could cut off crude oil supplies* to Iran's other refineries. But it is highly probable, according to Dr. Avi Pascov of the International Institute of Strategic Studies, that Iran has stockpiles elsewhere—and Iraq may suffer the same handicaps to its refineries *as* Iran.

Iran appears to be bringing up tanks and other armour which had been deployed on its borders with the Soviet Union and Afghanistan.

The Iranian forces could soon be in a position to launch a counter-attack against the Iraqis, either in the flat deserts *of Khuzestan,* or in the more mountainous areas west of Kermanshah.

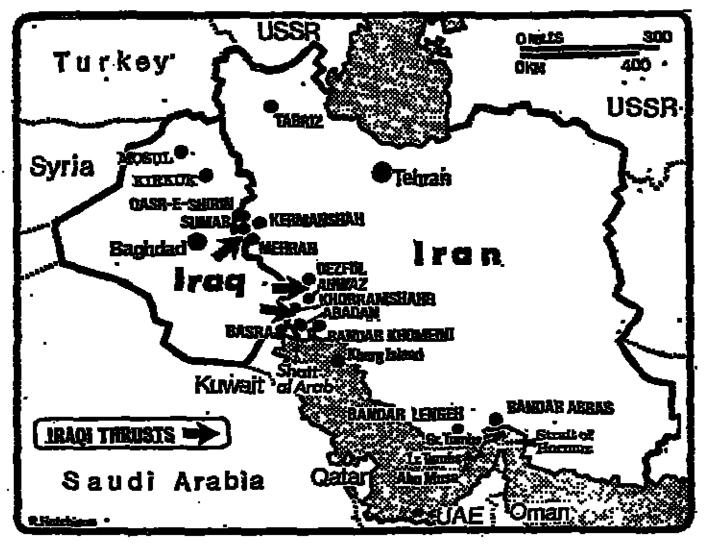
In such a case, the fighting qualities of the Iranian army will be seriously put to the test for the first time in the war. It is difficult to decide which of the two armies is currently the better.

But Dr. Plascov, having observed the Iraqi performance in the war so far, thinks that the Iranians could be in a position to gain the upper hand.

Reports from Iraq suggest *that Iraqi* armour *is being* moved from the Qasr-e-Shirin area — the small salient of Iranian territory which Iraq has taken without much difficulty—down south to the main battlefields in the Khorramshahr area. This could present Iran with a good opportunity to outflank its opponent on the more northern front.

The fact that Iraq is apparently bogged down and unable to obtain a constructive response to its offer to stop fighting, provided it is left holding the territory it originally demanded —control of the whole of the Shatt al-Arab and other less crucial border areas — could lead it to broaden the conflict to other fronts.

One way, Dr. Plascov believes, would be to use the airfields of the Arab states at the eastern *end of the Gulf to raid the long* southern coast of Iran, obliging the Iranians to keep units of their forces there, and so diverting them from the main front.



Iraq might also use the small numbers of men and helicopters it last week sent *down the Gulf* to either the United Arab Emirates or Oman to attack the three disputed islands near the Strait of Hormuz which Iraq still says *should* be returned to Arab sovereignty.

The Arab states of the region, including Saudi Arabia, would have little option but to support *the Arab combatant, Iraq. But* doing so would not only invite Iranian retaliation but could also precipitate internal trouble, particularly if the armed forces of those countries, weak as they are, want to retaliate against Iran—contrary *to the wishes of* their political masters.

Iraq may still have the power to consolidate its present gains. But it is fighting an opponent *which apparently has no intention* of making or even talking peace and which could be a formidable opponent in a long war. If the Iraqi generals feel they *have been led into a war they* cannot win, they may turn on their President.

Japan adopts cool stance on threat to oil supplies

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN IS not panicking about the possible consequences of the Middle East war, partly because of its ample oil stockpile—110 days' supply at the last count—and partly because it has been Government policy since the first oil crisis to try to maintain calm in the face of such events.

A panicky reaction from the business world and on the part of consumers seriously worsened the impact of the 1973 oil crisis.

Nevertheless, Mr. Michio Watanabe, the Finance Minister, has conceded that if the war lasts much longer, it will pose "very grave problems" for Japan and other countries.

Japan depends on Iraq for 9 per cent *of its* total oil supplies but would consume only 30 days of its present 110 days' stock if Iraqi shipments were interrupted for a full year. Oil shipments from Iran were suspended in April after a price dispute between Japanese *importers* and the National Iranian Oil Company.

In view of the relatively comfortable position the Ministry of International Trade and Industry has been advising oil importers to draw on stocks rather than to make up the Iraqi shortfall by buying on the spot market. The Ministry has ration coupons ready for use in the *event of a really serious* oil supply squeeze but these were printed long before the start of the present crisis.

Apart from the threat posed to Japan's oil supplies the fighting menaces Japan's largest *single overseas construction* venture — the 85 per cent complete, $3bn, Bandar Khomeini complex in southern Iran. Bandar Khomeini has been damaged twice since the start of the fighting, but Mitsui and Co., the main Japanese sponsor, has so far been unable to cite details.

All that is known is that Iraqi shells scored hits on Tuesday on the chemical tank complex and on two downstream production plants. None of the 600 Japanese workers quartered nearby has so far been injured.

At the start of the fighting Mitsui had planned to increase the workforce to 1,200 by the end of 1980 and to 1,500 by early next year. These plans *have now been frozen and a* contingency plan has been drawn up for the evacuation of the entire workforce to Shiraz.

Mitsui claims not to be able to estimate the cost of damage to the complex, or of the further delay caused by the fighting.

Kurds 'on the attack'

BY PATRICK COCKBURN

KURDISH guerrillas have launched widespread attacks against Iraqi forces in Kurdistan, according to a Kurdish spokesman in London. They are taking advantage of the absence of Iraqi troops who have joined the fighting against Iran further south around the Gulf.

The extent of the Kurdish assault is not clear. The offensive has been launched by the largest Kurdish rebel group, the Kurdish Democratic Party, which has close links with the Tehran Government. The group claims to have killed 29 Iraqi soldiers and shot down two helicopters in the past 10 days.

Zimbabwe line reopens

By Bernard Simon in Johannesburg

THE RAILWAY linking Zimbabwe and the Mozambique port of Maputo is to be reopened today for the first time in more than four years, according to a *Mozambican* report monitored in Johannesburg.

The line, one of Zimbabwe's two rail routes to the Mozambique coast, was last used in early 1976 before President Samora Machel closed his country's borders with Rhodesia. The other line, from Umtali to the port of Beira, has been in limited use for several months.

The Maputo line will initially carry about 3,000 tons of traffic a day, which is about a third of its capacity. According to railways authorities in Zimbabwe, it is hoped that the line will run at full capacity within four months. The line will cater only for goods traffic for the time being.

In 1975, almost 1.3m tons of traffic was carried on the *line* between Zimbabwe and Maputo, compared to a peak of 2.4m tons in 1973.

Use of the route will help *reduce Zimbabwe's dependence* on rail links through South Africa and should contribute to a reduction in the present heavy congestion on the lines from South Africa to the North.

The backlog of traffic has risen so sharply in recent weeks that South African Railways yesterday placed a three-day embargo on acceptance of goods for Zimbabwe, Zaire and Zambia.

On the *other hand,* South Africans doubt whether the harbour at Maputo will be able to handle significant amounts of Zimbabwean traffic. Congestion there has already prompted local chrome exporters to divert part of their shipments to the South African port of Richards Bay.

77 schools closed

Johannesburg — Seventy-seven schools with more than 58,000 black pupils have been closed by the South African Education Department because of boycotts of *classes* by students protesting against inequalities in the teaching system.

An official said yesterday that the number of pupils affected by the closures amounted to *only 3 per cent of* total enrolment at black schools.

Reuter

Dalai Lama advised to stay abroad

BY PHILIP BOWRING IN HONG KONG

THE DALAI LAMA, the exiled God-King of Tibet, is most *unlikely to return to his country* in the near future. Interviewed in Canton recently near the end of a four-month fact-finding mission to China, the Dalai *Lama's sister,* Mrs. Bema Bema Gyalpo, said: "My recommendation to him will be that he will not go back now."

A decision by the Dalai Lama *not to* return would be a major rebuff for China, which has been trying to lure him back to Tibet, to take some of the heat out of simmering Tibetan nationalism.

It has also been trying to convince the Tibetans and the outside world that it has rejected previous oppressive policies which have smacked of Han (ethnic Chinese) colonialism. These are now being blamed on the "*gang of four*" soon to face trial in China.

Tibet has been stubbornly if passively resisting central *government oppression of* local religion and culture. This opposition is a worry for China, given Tibet's strategic importance, and the fact that only 5 per cent of the population are Hans.

Mrs. Bema Gyalpo said she would advise the *Dalai Lama* to watch the situation in Tibet over the next three years to see whether reforms promised by the Chinese Government were carrid out. *China had made* promises of improvement in the past which had not materialised, she added.

Earlier this year, following a visit to Tibet by senior officials from Peking, China announced a wide-ranging three-year reform programme, including the replacement of many thousands of Han officials by Tibetans, the encouragement of Tibetan language and culture, and freedom *of religion for the Tibetans.*

The Dalai Lama's sister said her seven-strong delegation had spent three months in Tibet, and travelled widely. However, they *had* always been accompanied by Chinese officials, and people had been warned not to approach them. Despite this, in several towns more than 1,000 people *had come to* greet them and in one town, Gyantse, they had been welcomed by as many as 7,000.

Mrs. Bema Gyalpo attacked Chinese educational policies in Tibet, particularly the discouragement of the Tibetan language. She noted that the leading middle school in Lhasa, the capital, has a majority of Han pupils, though Hans are a small minority of the population. Hans were not being taught Tibetan.

Chinese claims to have establishes 6,000 primary

The Dalai Lama: a rebuff for China

schools around the country should be treated with scepticism, she added. Many schools seen by the delegation had as few as five pupils, with one teacher serving four schools.

She was also "shocked" by the conditions the delegation had seen in the five monasteries they had visited. These monasteries are only a fraction of those existing before 1959, the year which saw the exile of the Dalai Lama.

Several monasteries were badly damaged by Red Guards during China's Cultural Revolution. One member of the delegation said that restoration of *damaged monasteries would* be an important gauge of the sincerity of the Chinese to permit Tibetan culture to flourish.

It was also important, Mrs. Bema Gyalpo said, for the Government to prove its commitment to religious freedom by allowing young people to become monks. The delegation was the third group from the Dalai Lama's entourage to have visited Tibet in the past year, in response to China's proclaimed new liberalisation policy.

Hayden offers tax cuts to voters

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIA'S Labor Party last *night launched its* campaign for the federal election on October 18 with a promise of income-tax cuts as part of a package of measures which would benefit *the average family* by between A$10 (£4.90) and A$20 a week.

Making his policy speech in Brisbane, Mr. Bill Hayden, the party leader, said the average *Australian family* was $16 a week worse off than five years ago when the Liberal-National Country Party coalition came to power.

Labor, in a series of measures designed to appeal to the "hip-pocket nerve" of the electorate, has promised an across-the-board income-tax cut of A$3 a week by raising the threshold before which tax is payable.

The coalition, headed by Mr. Malcolm Fraser, has not offered *any tax* concessions although his party was elected on a policy of tax cuts in 1977.

Petrol prices under a Labor Government would be frozen for 12 months *in contrast* with the Fraser Government's policy of pricing domestically produced crude oil, which accounts for about two-thirds of Australia's needs, at *world prices.*

Labor is also offering improved family allowances, assistance with housing, benefits to the unemployed and those on welfare, and free medical care for children and expectant mothers.

Mr. Hayden said Labor would finance its election promises through a resource rent tax on mining companies which are considered to be making excessive profit. Labor would also clamp down on tax avoiders and abolish the Government's investment allowance scheme which enables businesses to write off for tax purposes new investments in capital goods such as plant and machinery.

Rhetoric clouds Jamaican election issues

IT IS being called the "IMF Election," but there is very little mention of the International Monetary Fund in the intense campaigning for the Jamaican general election.

No date has yet been set for the vote, as this depends on a bi-partisan electoral reform committee completing its work. It appears this will be done within the next fortnight. Just under 1m voters have been registered.

Jamaicans are expected to vote either at the end of October or early November, but the campaign has been in full swing for the past two months.

The leaders of the two major political parties, Prime Minister Michael Manley of the Social Democratic People's National Party, and Mr. Edward Seaga of the conservative Jamaica Labour Party, have ben swinging through the Jamaican countryside telling electors of their past performances in Government. Each promises to do better than the other if elected, but there has been very little from either party about what it intends to do to solve the islands' chronic economic illnesses which have brought the election on.

These include short-term debts which exceed foreign exchange reserves by more than $500m (£210m), total foreign debt of $1.3bn, a trade deficit expected this year to be $300m, the cumulative 17 per cent decline in the economy over the past seven years and unemployment at the current all-time high of 31.5 per cent, which means that just under 300,000 in a population of 2m are without jobs.

The PNP has been in office since 1972. It replaced the JLP, which had then done two five-year terms. In the 1976 elections, Mr. Manley was returned to office, with the party gaining 47 of the 60 Parliamentary seats at stake.

The election is not constitutionally due until the end of next year, but in February Mr. Manley said he was bringing the polls forward by more than a year to allow the Jamaican people to decide on an economic strategy to deal with the country's problems, and whether the IMF should have a role in the island's economic life.

Canute James reports from Kingston that Jamaicans have a clear choice in the forthcoming general election between the socialism of Mr. Michael Manley, the Prime Minister (right), and the more business-oriented approach of Mr. Edward Seaga (left). But the campaign has been notable more for invective and violence than discussion of Jamaica's economic problems.

Party political speeches from campaign platforms, however, have not indicated clearly what either the PNP or the JLP will do to attempt economic recovery.

The campaigning has been based on one party attacking the other. "Is Manley Fault" proclaims the JLP graffiti from the walls and sidewalks, the first letters of each word capitalised to spell "IMF." "Stand firm for a third term" shout back the PNP slogans.

Radio programmes are interrupted with a cloying regularity by paid party political advertisements. The opposition runs down a list of the many schools it built between 1962 and 1972. The PNP replies with a list of the many social programmes it introduced over the past decade.

The incumbent party's platform is based on widening a range of social and economic programmes which it undertook since 1972. The social programmes include land reform, where unused arable land is distributed to small farmers at cheap leases, the eradication of illiteracy, guaranteed minimum wages, taking electricity into rural villages and improving rural health care facilities.

The key economic policies are expanding the bauxite and tourism sectors—two of the pillars of the island's economy —increasing production for export, expanding local food production to reduce food imports, developing more small businesses and furthering efforts to create a mixed private-public sector economy, in which state participation is now 18 per cent.

The PNP has said it will also continue Jamaica's relations with Third World and Socialist countries, while maintaining links with traditional trading partners such as the U.S. and Britain.

The Labour Party, which argues that the state of the island's economy is not the result of international economic pressures such as high oil prices and international inflation, but of Government mismanagement, says it will refine and improve some of these social programmes and dispense with those which are not worthwhile.

JLP advertisements say that if elected, the party will be obtaining money for national reconstruction. It does not say, however, how this money will be obtained, and from which sources.

The Labour Party's economic proposals are based on what Mr. Seaga calls the "Puerto Rican model" of economic development, saying Jamaica must make use of its greatest "natural asset"—its proximity to the U.S.

If elected, the Labour Party is expected to reduce Jamaica's links with Third World, Caribbean and socialist countries, and concentrate on trade and economic ties with North America.

In the background, unwillingly, stands the International Monetary Fund. Although the Manley administration cancelled negotiations with the Fund, Jamaica is still a member. The Government has been very critical of the IMF, taking a leading role in the recent Arusha conference, which called for reform or replacement of the Fund, saying the conditions it attached to financial assistance were too severe. This criticism was continued at the recent UN special session on economic matters.

There is, however, a belief among economic planners here that if re-elected, the Manley administration will resume negotiations with the Fund. "They will have to go back to the IMF. They have no alternative," said a senior central bank official.

The Labour Party has been critical of the Manley administration for accepting some of the IMF's conditions under the two scuttled agreements. The opposition, however, has not gone so far as to criticise the IMF. Mr. Seaga, if elected, is expected to convene early negotiations with the IMF.

The intensity of the party political invective which has become a part of the campaign has been reflected in an upsurge of political violence, particularly in traditionally volatile areas of western and south western Kingston. The police say that since January, about 400 murders have been the result of party political violence.

According to opinion polls, the contest will be close. Mr. Seaga's lead of 12 percentage points five months ago has been whittled down. Polls in July showed Mr. Manley's forces gaining, while those this week have put both dead level, with perhaps a slight edge going to the PNP.

New breath of life for substitution account

By Peter Riddell in Washington

A SURPRISING degree of interest in further discussion of the proposed International Monetary Fund substitution account has been expressed by several leading Finance Ministers here.

The account, into which dollars or other currencies would be deposited in exchange for Special Drawing Rights, the Fund's own currency, was actively considered last year during the dollar crisis. This was seen as a way of enabling countries to switch holdings of currencies within their reserves without disturbing the foreign exchange market.

The idea appeared to have been buried at the meeting of the policy-making interim committee in Hamburg last April. But renewed interest in discussion of the proposal has been shown in Washington—on the communique of the interim committee, for example, called for further study of the subject.

In his address to the annual meeting, Herr Hans Matthoeffer, the West German Finance Minister, who had been distinctly cool about the idea, said that although immediate recycling problems had for a while pushed into the background the idea of a dollar substitution account, the plan should not be discarded.

"We should include it in our deliberations on the further development of the monetary system and work should be resumed at a suitable time."

British view

Similarly, Mr. G. William Miller, the U.S. Treasury Secretary, said: 'As another step towards expanding the role of the Special Drawing Right, the executive Board should continue its work on the concept of a substitution account, which I believe would be better named a monetary reserve account. We should not be surprised that the development of the idea takes considerable time."

The British view is also that the account has become a slightly more of a live issue over the past couple of months, even though decisions are unlikely to be taken until the current series of elections in leading industrialised countries have taken place.

The subject of gold has barely been raised at the meeting, although Mr. Owen Horwood, the South African Minister of Finance, repeated his familiar call for a recognition of gold's monetary role.

Mr. Horwood noted that gold now constituted about 60 per cent of the official reserves of free world countries and called on the IMF executive Board to study moves towards a gold-based system.

He claimed that the "recognition, clarification and normalisation of gold's monetary role" would affect Governments in the "adoption and maintenance of appropriate policies of financial discipline."

Howe refutes McNamara attack on UK aid flow

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

SIR GEOFFREY HOWE, the Chancellor of the Exchequer, yesterday questioned the figures that Mr. Robert McNamara, outgoing president of the World Bank, had used in criticising the planned reduction in official British foreign aid.

"I do not begin to recognise," the Chancellor said in his address to the annual meeting, the 25 per cent reduction over the next five years to which Mr. McNamara had referred.

It seemed to be based, Sir Geoffrey went on, on the assumption that the British gross national product would grow at an average of 3 per cent a year in real terms between now and 1985.

"We have made no such forecast. We face a fall of 2 per cent or more in GNP this year, which is all too likely to be *followed* by a period when growth is slow."

The Chancellor also maintained that the bulk of British aid (70 per cent last year) went to the poorest countries, which, he said, was "exactly in line with Mr. McNamara's exhortation to us."

However, Sir Geoffrey conceded that the level of foreign aid, like every other item of Government expenditure, had to be reappraised vigorously as part of the fight against inflation. Restoration of British economic health would determine "the scale of our future contribution to the developing world."

Mr. McNamara's often emotional indictment of the introspection of the developed nations went far beyond the British example.

He criticised Japan, described the U.S. record of foreign aid as "disgraceful" and noted, almost sarcastically, that the Russian effort was next to negligible.

However, both Sir Geoffrey and Mr. G. William Miller, the U.S. Treasury Secretary, maintained in their speeches yesterday that it would be unwise to force revolutionary change on the IMF and the World Bank as the two main international conduits of resource transfers from the rich to the poor—which is a principal demand of the developing countries represented here.

Mr. Miller for example, described as "harmful" the proposal that the creation of more Special Drawing Rights (the IMF's own currency) be linked to aid. He also advised against a major new issue of SDR's in 1982.

"The most effective approach to expanding the SDR's is a relatively steady expansion of allocations, from basic period to basic period as the world economy grows. We are not persuaded that an effort to fine tune a single year's allocation would be apropriate."

This caution was echoed in the addresses of both the West German and Japanese finance ministers while Sir Geoffrey was even more explicit on the need to preserve the present roles and functions of the IMF and the World Bank.

"The basic principle of conditionality should be maintained," he said, though it could be tailored to a country's individual needs.

"I detect in many papers and in the interventions of a number of speakers" he went on, "a wish to turn the IMF into an aid-giving organisation. I urge my colleagues not to move down this path. We must distinguish the aid functions of the Bank from the work of the Fund in sustaining the international monetary system."

Warning that IMF assistance, stripped of its conditionality, could only heighten inflation, he said "we shall all be best served if we resolve to sustain the Fund as an institution which promotes the process of adjustment in a difficult world rather than one which helps to postpone it."

The IMF World Bank Meeting

Mr. Miller . . . not persuaded

Mr. Miller was more sympathetic in principle than Sir Geoffrey to the notion of closer IMF-World Bank collaboration, though he, too, said their autoomy should be preserved. He suggested that a joint committee of the two institutions be established to look into the "form and substance" of such co-operation in the ufture.

This is a proposal which may appeal to M. Jacques de Larosiere, the IMF managing director, who in his address on Tuesday had said that the Fund must show itself "capable of change" and who had hinted that over time the Fund might want to take account of giving greater weight to the developing counries.

Carter, Reagan back new loan to New York

BY DAVID LASCELLES IN NEW YORK

ELECTION politics came to New York City's aid this week when both President Jimmy Carter and Mr. Ronald Reagan, the Republican candidate, put pressure on Congress to approve another $300m (£125m) in Federally guaranteed loans to help get the city back on to its feet.

The money comes from $900m in standby guarantees that were included in the original $4.5bn rescue package put together in 1978. However, Sen. William Proxmire, chairman of the Senate Banking Committee, had been opposed to any new guarantees on the grounds that New York should try to solve its problems through the Municipal Assistance Corporation (MAC), the agency set up to restructure its finances. He dropped his opposition on Tuesday

New York will, however, also issue $300m of MAC bonds in the coming weeks. Before too long it also wants to sell some bonds in its own right, though this plan has been criticised by Mr. Felix Rohatyn, chairman of MAC, as premature, given that New York still does not have an investment grade credit rating.

New York was originally supposed to complete its financial recovery by 1982. But financial problems and the recent wage increases granted to municipal employees now make it unlikely that it will be able to stand on its own before 1984.

Presenting the city's budget plans in August, Mayor Ed Koch said he wanted to draw down the full $900m in federal guarantees to cover the expected spending deficit over the next 18 months.

Anderson decline benefiting Republicans

By David Buchan in Washington

SUPPORT FOR Mr. John Anderson, the independent Presidential runner, is fading and, contrary to expectation, this decline is benefiting Mr. Ronald Reagan more than President Carter, according to pollsters for both main candidates.

Mr. Patrick Caddell, the President's in-house opinion watcher claims that Mr. Anderson has, despite a stout performance in the one televised campaign debate, suffered in the last two weeks a "major decline" of 7 to 9 points in the suburbs of northern industrial states. This, in turn, has boosted Mr. Reagan's standing there by 2 to 3 percentage points, he admitted.

The gloom about the independent's chances has also been damagingly confirmed from within Mr. Anderson's own entourage.

In the short term, this is bad news for the President who spent his 56th birthday yesterday wooing vital blue collar votes in Michigan and upper New York state, against the background of Mr. Caddell's public concession that Mr. Carter is "slightly behind" the Republican challenger in electoral college votes. The key to winning is *not* the popular vote but carrying states with most votes in the electoral college.

Mr. Caddell's prognosis is confirmed by Reagan pollsters who argue that independents and Republicans are deciding now that they want to get rid of Mr. Carter at all costs and that only liberal Democrats of the Kennedy wing are sticking with Mr. Anderson as the measure of their disaffection

Should, however, Mr. Anderson's apparent decline continue, it will begin to accrue to Mr. Carter's advantage.

Meanwhile, the report of the Senate inquiry into Mr. Billy Carter's links with Libya, which was critical of the Administration's handling of the affair yesterday brought an angry rebuttal from the Administration.

The White House yesterday released a document reiterating past denials that the President was ever closely informed or discussed with his brother, dealings between Mr. Billy Carter and oil company commissions on Libyan oil, or that the President knew the full extent of his brother Billy's travels to and ties with Libya.

China formally rejoins IMF, World Bank

By Kevin Rafferty

TRHE PEOPLE'S Republic of China made its formal re-entry into the international financial community yesterday and discreetly lent its weight to reform of the system it has rejoined.

China is now a member of both the IMF and the World Bank, with a separate seat on the boards of both organisations. Mr. Wang Bingqian, its Finance Minister, said in his address to the annual meeting that the Bretton Woods regime "can no longer meet the needs of our new conditions, and be reformed so as to bring about the early establishment of a new, equitable and rational international monetary system."

However, most of Mr. Wang's speech was devoted to an analysis of China's economic problems, and to pledging that his country would abide by current economic and financial practices.

Trudeau cuts recess

BY OUR FOREIGN STAFF

THE CANADIAN Parliament has been called for next Monday, abridging the summer recess, in order to debate the wish of Mr. Pierre Trudeau, the Prime Minister, to give Canada its own constitution. At present the British North America Act of 1867, passed by the Imperial Parliament in Westminster, serves as a constitution for Canada, and its central provisions can only be changed by Westminster.

Mr. Trudeau last month vainly sought to gain the agreement of the 10 Canadian provinces to the "patriation" of the constitution, as Canadians call the process. The main point of difference, but not the only one, was how a patriated Canadian constitution could be amended.

For the best part of 50 years, Canadian politicians have searched for a formula which would do justice to the genuine regional differences within the country and take account of the position of the provincial governments.

A majority of the provinces have resisted Mr. Trudeau's wish to have a Bill of Rights included in the patriated constitution which would, among other things, guarantee the linguistic rights of French Canadians in the English-speaking provinces and of English-speakers in Quebec.

WORLD TRADE NEWS

Japan welcomes U.S. move on steel trigger prices

TOKYO—Nippon Steel and the Ministry of International Trade and Industry (MITI) yesterday welcomed U.S. President Jimmy Carter's plan to reinstate the trigger price mechanism and revitalise the faltering U.S. steel industry.

Mr. Hiroshi Saito, managing director of the world's largest steelmaker, described the Carter plan for aiding the U.S. steel industry as helpful in restoring order to world steel trade.

He said world steel markets have been seriously disturbed by what he said were American producers' cut-rate export drive.

But Mr. Saito expressed fear that the new trigger price mechanism may force Japanese steel out of the American market in the short run.

The new trigger price is 12 per cent higher than when it was abandoned last March.

The immediate effect of a return to trigger prices is likely to be a large drop in imports and domestic price increases ranging up to 25 per cent, U.S. industry officials say.

Meanwhile, officials of MITI said the reinstitution of the trigger system will have a considerable effect since demand for steel in the U.S. is now down.

However, they fear the new mechanism announced by Mr. Carter to prevent a surge or rapid increase in steel imports may foster a protectionist trend, depending on how it is enforced.

The U.S. President announced Tuesday the return of the trigger price mechanism to protect domestic steel producers against cheaper imports. This would be coupled with a U.S. Steel agreement to withdraw its anti-dumping suits against EEC steel-makers, including British Steel.

Along with the reintroduction of trigger prices—for a three-to-five-year period while American steel companies modernise—the measure proposes to give the industry more time to meet pollution controls.

Under the trigger price mechanism, steel that is imported below a base figure, or trigger price, sets in motion an investigation to determine if the steel is being "dumped" or sold at unfairly low prices. Suppliers found liable under the procedure face penalty duties.

Trigger prices were abandoned after U.S. Steel alleged that steel makers in seven European countries were dumping below-cost products on the American market.

Agencies.

India gives go-ahead to bauxite project

By Terry Dodsworth in Paris

THE INDIAN Government has given the go-ahead to a project for a bauxite treatment and aluminium production complex in the State of Orissa, following a study by the French group Pechiney Ugine Kuhlmann.

PUK, one of the leading world aluminium companies, will be working on the project as technical adviser, but it is not yet clear whether the company will become involved industrially.

The complex as a whole will cost about $1.5bn (£650m), and produce about 800,000 tonnes of bauxite along with 220,000 tonnes of aluminium.

The French company has been involved in the study for the last two years. An initial agreement was signed with the Indian Government at the time of President Giscard d'Estaing's visit to India in January.

Agencies add: The French state-controlled oil group Elf-Aquitaine has signed an exploration contract with the Algerian state hydrocarbons concern Sonatrach.

Under the agreement, the two concerns will explore for oil in an area of 9,000 sq kilometres along the Saharan fold in Southern Algeria.

Germans continue to scoop up E. Bloc business: **Jonathan Carr** reports

How Kloeckner won £130m deal

HOW DID a West German-led industrial consortium beat stiff international competition last month to win a DM 555m (£130m) aluminium works contract from the Soviet Union.

Part of the answer is found in Klockner's access to export credit finance facilities in France more favourable than those available in Germany.

The tale is not unique, but it illustrates one way in which the more agile German concerns continue to scoop up export business even when the odds seems against them.

Among those companies—and at the heart of the Soviet deal—is Kloeckner Industrie-Anlagen (INA), which is part of the Duisburg (Ruhr)-based trading group Kloeckner and Company.

Manufacturing

INA plans, supplies, erects and finances industrial plant and manufacturing facilities, and is no stranger to deals with the Comecon countries. Last year alone it handed over plants for soda in Poland, for ethylene in Czechoslovakia and for PVC in Bulgaria. So in principle it was well placed to meet Soviet requirements for part of the ambitious Sayansk, Siberia, project for a huge aluminium smelting combine. This is already under construction and is scheduled to have an annual capacity of ½m tonnes when complete.

The Russians were clearly interested in Kloeckner's offer—but their interest raised a problem that is by now familiar to West German exporters of plant and machinery in particular. The cost of the credit the Germans could offer was too high. Could not the interest rate be cut to the kind of level which many other Western states seemed able to provide?

The answer, initially, seemed to be that it could not. The Bonn Government was ready to guarantee (through the Hermes export credit insurance concern) a financial credit arranged for the deal by commercial banks. But it was not ready to subsidise a lower interest rate to improve export chances—either in the case of the Sayansk deal or in others.

The complaint of German companies has long been not so much that Bonn takes this stand as that other Western governments generally do not do likewise. The point was stressed anew recently, and with some bitterness, by Herr Otto Wolff, head of the Association of German Chambers of Commerce and himself deeply involved in trade with the East.

He noted that many Western nations facing current account deficits were continuing to provide export subsidies, "even though this threatens their budgets and has not, so far anyway, enabled their industries to gain leading positions internationally."

Kloeckner interested the USSR with its plans for an aluminium works contract but it was not able to offer Moscow good enough credit terms. It found a way round the problem by involving its French subsidiary and gaining access to the more generous export financing terms available in France

Thus it was feared that the Soviet business might have slipped through German fingers—for example to a French competitor also known to be bidding hard.

But INA itself has a subsidiary in France. By drawing this company into the deal, Kloeckner could tap favourable French export financing terms it could not obtain at home, and thus reduce the total cost to a level the Russians were ready to pay.

It is not clear just how much Kloeckner could improve its offer, by as it were, taking the road to Moscow via Paris. But of the DM 555m contract signed in Moscow on September 5 by the consortium — INA, its French subsidiary and KHD Humboldt Wedag of Cologne—the French portion amounted to FFr 420m (£42m) or close to one third.

Products

Naturally price was not the only facet Kloeckner had the products the Russians wanted. It has a permanent office in Moscow to show it is planning long-term business in the Soviet Union, not one-off deals. And it is ready to bargain doggedly—in the case of the Sayansk contract alone, for five years.

Nonetheless, experience in international finance clearly counted at a crucial moment, and not for the first time. Kloeckner's foreign subsidiaries are playing an ever greater role in helping through deals—like Sayansk — which cannot be handled from the Federal Republic alone.

One result is that Kloeckner and Company—the mother concern of the group—now rather proudly calls itself an international trading and services enterprise based in Germany, rather than as a German trading concern with foreign business.

Saudi £20m order for BICC

BY MAURICE SAMUELSON

A £20m contract to supply cables to Saudi Arabia has been won by BICC against strong competition from France, Italy and Japan.

The contract, for extending the power supply system in both Mecca and Taif, was also won following fears that the Saudi Arabians would penalise British companies because of the television film Death of a Princess, which caused a rift now healed, between the two countries.

The contract will take nearly two years to complete and the customer has the option to extend the order by a further £6m within six months.

It requires the manufacture and installation of 230 kilometres of 110 kilovolt supertension cable. The work will be carried out principally by BICC Cables from its Erith works, Kent, which employs 500 people.

There had been fears that the plant, where 180 people were recently made redundant, might have to close because of the deterioration in the home market for supertension cables. However, the Saudi order, together with another recent £7m Kuwaiti order, will keep the plant busy for some time to come.

Sir Raymond Pennock, BICC chairman and president of the Confederation of British Industry, said the Saudi deal was evidence of a continuing sound commercial relationship between the two countries.

● Camrex, the Sunderland paint manufacturer, is to supply coatings worth £2.5m to China Shipbuilding of Taiwan for six tankers under construction. Camrex noted that this indicated improvement in the market for marine paint.

● Weir Pumps, a member of the Weir group, is supplying the City of Dubai Water Authority and the Abu Dhabi Government with £2m of pumping equipment.

● ICL is supplying nine computers valued at £1m to Associated Pulp and Paper Mills for installation at offices and mills in South Australia, New South Wales, Victoria, and Tasmania.

● The Export Credits Guarantee Department has for the fifth time guaranteed a credit line to Poland which will permit the purchase of UK barley and wheat. Lloyds Bank International is lending Bank Handlowy of Warsaw $30m (£12.5m) to finance contracts with UK exporters awarded by CHZ Rolimpex of Poland.

● Stiring Astaldi has signed a £5.4m contract with Uganda to build a 40 km stretch of the Trans-African Highway. The contract is being financed by the African Development Bank.

● English Electric Valve, a GEC unit, is supplying electronic tubes worth $1.3m (£548,000) to the Lawrence Livermore National Laboratory in California under a U.S. Department of Energy contract.

BDS hits snag on plans for rig contract

By Fay Gjester in Oslo

PLANS BY Bergen Steamship of Norway (BDS) to order an NKr 400m (£34.4m) drilling rig from the Norwegian Framnaes Yard, have encountered a snag. BDS wanted to order the rig through its UK subsidiary and register it under UK flag because of the favourable credit and subsidy arrangements applying to export contracts.

The Norwegian Ministry of Trade and Shipping, has refused, however, to approve a deal on these terms. Instead it has urged BDS and Framnaes to negotiate a contract based on the credit terms applying to domestic rig orders.

Meanwhile, the Norwegian Rigowners' Association, has written to the Trade and Shipping Ministry complaining that present shipbuilding credit and subsidy rules favour foreign buyers at the expense of Norwegians.

It wants Norwegian owners ordering rigs from domestic yards to be given the same credit and subsidy terms as those granted to foreign customers.

Dutch to build agro-business near Riyadh

By Charles Batchelor in Amsterdam

HVA, the Dutch agro-industry contracting and consultancy group, has won a $30m (£12.5m) contract to set up a major poultry project near Riyadh, Saudi Arabia.

The order was placed by the Arab Company for Livestock Development (ACOLID), based in Damascus, with Holland Agro Industries, HVA's contracting division.

The company will establish integrated production facilities for 6m broilers, including feed production, hatching and slaughtering, at Al Quaseem, north of the Saudi capital. The turnkey project will provide work for a number of Dutch companies and is expected to take two years.

ACOLID is an inter-Arab organisation

● Jordan has awarded a $725,000 contract to the Soviet company Technopromexport to study the feasibility of using Jordan's 1bn tons of oil-bearing shale rocks to generate electricity, Rami K. Khouri writes from Amman.

Chemical Bank improves its position in China

NEW YORK—Chemical Bank has signed co-operation agreements with five major organisations in China.

The bank's chairman, Mr. Donald Platten said the agreements were reached in negotiations over the past two weeks and represent an "important advance in Chemical Bank's relationship with China."

Agreements were signed with China International Trust and Investment, Tianjin International Trust and Investment, Fujian Investment and Enterprise, Guangdong Trust and Investment and the Tianjin branch of the Bank of China.

The Chinese organisations are responsible for absorbing and applying foreign investment and technology to develop and modernise the nation.

Under the agreements Chemical will work to enhance economic co-operation to develop the exchange of technology and to facilitate various forms of co-operation between Chinese and U.S. enterprises.

The bank said that the agreements provide that it seek appropriate financing terms favourable to both Chinese and U.S. enterprises.

Chemical Bank and the Chinese organisations have also agreed, Mr. Platten said, to exchange information and contacts in such areas as joint ventures, leasing, technology exchange and compensatory trade.

● China will import colour television production equipment from Japan to boost its TV industry and meet the growing demand for TV sets, the Chinese news agency Xinhua reported yesterday.

Quoting the Chinese National Bureau of the Radio and Television Industry, Xinhua said eight Chinese TV factories have signed contracts to import the equipment from five Japanese companies—Hitachi, Matsushita Electric Industrial, Victor Company of Japan, Tokyo Sanyo Electric and Nippon Electric.

The agency said the imported Japanese equipment, together with manufacturing equipment made in China, will go into production next year and in 1982.

China now has more than 40 enterprises producing TV sets, and the total output of sets last year was 1.3m, two and a half times the figure in 1978. The output this year is expected to exceed 2m sets.

Agencies

UK NEWS

Northwest job losses total 53,378

By Rhys David

A TOTAL of 53,378 people were declared redundant in the Northwest in the first eight months of this year—more than double the number for the same period last year, the Northwest TUC claims today in a new attack on government policies.

The total has been gathered by the regional TUC using Job Centre figures suplied by the Manpower Services Commission and information from member unions.

In an accompanying report which is being sent to all MPs, the TUC points out that the situation has worsened since the end of August.

In the first two weeks of September, 8,106 job losses were notified in the region, making it likely that September will be the worst month yet for redundancy.

The worst hit sectors are textile, clothing and footwear where some 15,645 jobs were lost to the end of August. Though the sector accounts for only 7 per cent of employees in the region, it has accounted for 28 per cent of redundancies.

Other sectors badly affected include engineering with 7,712 job losses to the end of August; and construction with 5,152 job losses.

The service sector, which now represents roughly 56 per cent of total employment in the region, appears to have been relatively lightly hit, with only

Some service sectors, such as transport and distribution, however, have seen significant job losses, the report argues. It forecasts an increase in service job losses as public expenditure cuts begin to bite.

The report urges an immediate change in Government monetarist policies if irreparable damage to the economic and social fabric of the region and the country is to be avoided.

Potash mine lays off 650 workers

BY ROY HODSON

AROUND 650 employees at the Cleveland Potash mine in North Yorkshire are to be made redundant. The present total workforce is 1,500.

Since production of potash began in 1973 about £140m has been put into the mine. It has never achieved its planned annual production of 1m tonnes.

Anglo American Corporation, which has been responsible for funding operations at the mine since last September, said yesterday production will be reduced to 360,000 tonnes a year.

The mine performed better in the past year. Even so, production did not reach the target set. Sales did not cover operating costs.

The board of Cleveland Potash said yesterday it had "reluctantly concluded" that the operation cannot be brought to profitability on the present basis.

The restructuring of the scale of the Celeveland potash project is seen by the mine's owners and managers as the only effective alternative to closing it completely.

Imperial Chemical Industries, one of the companies which launched the potash project, pulled out of the partnership last year, leaving Anglo American Corporation and Charter Consolidated with 50 per cent each.

Thermalite, which produces insulating building bricks is to make 200 more people redundant at some of its ten factories at the end of this week because of a drop in the number of new buildings being erected in the recession.

Those losing their jobs include 52 people at the factory at Thetford, Norfolk; nearly 40 at its Manchester factory; and nearly 50 at its Scottish factory. Additionally, the factory at Burton on Trent wil be closed.

Nearly 300 people lost their jobs from some of the factories two months ago.

ITT Components Group part of Standard Telephones and Cables. will close its Rhyl, Clwyd, factory at the end of the year.

The factory employs 81 people. The group said the factory's electrical and electronic products, sold in the automotive, consumer and telecommunications markets, have been subject to intense competition and also seriously affected by the recession and other cutbacks in expenditure.

Ports group appoints chief

BY WILLIAM HALL

MR. JOHN BESWICK, who headed the Society of Motor Manufacturers and Traders for 17 years, has been appointed director-general of the British Ports Association and assumes office today.

At the end of last year Mr. Norman Fowler, Transport Minister, announced that the Government intended to abolish the National Ports Council and transfer some of its functions to an enlarged British Ports Association, the industry's trade body.

Since then the association has been looking for a leading figure to head the enlarged body. Mr. Beswick, 61, was educated at Manchester Grammar School and Trinity College, Cambridge.

After World War II he practised as a barrister before joining Mullard as company secretary in 1951. In 1963 he joined the society as director.

'Coach and bus industry faces crisis'

By Ray Perman, Scottish Correspondent

PUBLIC SUPPORT for bus and coach transport was being cut substantially exactly when industry needed help to survive, Mr. Ian Irwin, President of the Confederation of British Road Passenger Transport, said yesterday.

Opening the confederation's annual conference in Edinburgh, he said 7bn passenger journeys had been made by bus or coach in the UK last year.

However between 1975 and 1978, public financial support had dropped by 30 per cent in real terms. Now, further cuts were in progress and at current prices would result in a 45 per cent cut in spending on bus services by 1984.

The result would be higher fares and falling revenue from the decline in the number of passengers, while the deepening recession had accelerated the crisis facing the industry.

The Department of Energy had confirmed that buses and coaches were the most energy-efficient forms of travel, said Mr. Irwin.

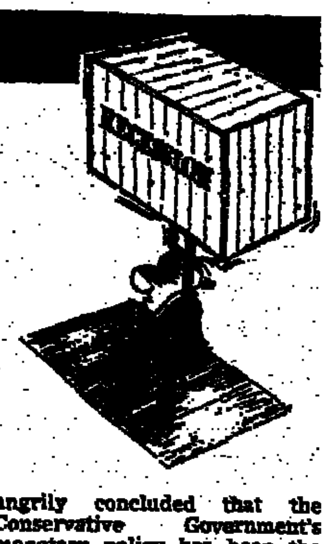
The Minister of Transport had said recently that if 2 per cent of the 9m drivers who commuted to work joined a lift-sharing scheme, then £30m and 12m gallons of fuel would be saved.

"I would point out to the Minister that if these 2 per cent caught the bus to work rather than sharing cars, then a total of 180,000 cars could be kept off our limited road space, with a saving of £45m and a reduced petrol consumption of 18m gallons.

"The benefits could be enormous. We could look to an upgrading of the quality of service, to retaining certain marginal services, to alleviating excessive fare rises and to improvement in traffic congestion," he said.

WRESTLING WITH RECESSION

Exports hit by strong sterling and soaring interest rates



BY IAN RODGER

WEDGWOOD, the manufacturer of world famous china tableware, is not making any profit on nearly two-thirds of its sales.

Exports accounted for 63 per cent of sales in the first half of the company's current year, but the continuing rise in the value of sterling has caused profit margins on export sales to disappear.

Wedgwood has been fighting a losing battle to maintain margins in its major export markets, the U.S., Canada and Australia since 1977 when sterling began to appreciate against these countries' currencies.

Last year, for example, group operating profit fell 16 per cent to £8.1m despite a 15 per cent increase in sales.

The last 18 months have been the most difficult as Britain's high interest rates have contributed heavily to the company's costs. Last year, the group's borrowings rose by nearly 30 per cent, mainly to finance higher cost stocks. And its interest charges more than doubled, taking £2.3m off operating profit.

The current year has begun on a similarly discouraging note. The 26 per cent sales gain in the first quarter shows a continuing strong demand far the company's products, but the 247 per cent increase in the interest charges all but eliminated pre-tax profit.

Sir Arthur Bryan, chairman of Wedgwood, has no doubt that the blame for the company's straits lie with Britain's Conservative Government.

"I criticised the budget last year, and I warned that our high interest rate policy would harm British industry and would not solve our problems," he said.

He maintains that the private sector is being punished for the excesses of the public sector—while the lame ducks of the public sector have been left virtually intact.

Wedgwood

Profits (year to March)	£5.8m
Sales („ „ „)	£96.7m
Of which exports (approx.)	59%
Employees (current)	10,640
Of which in UK	9,300
Capital employed (March, 1980)	£59.3m

"I'm just a simple potter," he says, "but I can see that they (the Government) are not Conservatives at all. They should look at their manifesto."

Wedgwood's response to the squeeze so far has been to lay off about 400 of its less skilled workers and to cut capital spending. Last year, the company invested about £5m on capital projects, but this year's original £4m budget has already been cut by £1m.

Inventories have been reduced somewhat in volume (although not in value) and some further improvement is expected.

But Wedgwood believes that it has to maintain fast delivery on customer orders, and that means keeping large stocks. The company refuses to cut retail prices as a means of reducing stocks.

Internally, the company has withdrawn a few executive cars and reduced the size of others.

"This is a very emotive subject and causes a great deal of ill will," Sir Arthur says. "We have cut a few cars and, even more important, we have not introduced them."

By the nature of its business, Wedgwood cannot lower the specifications of its products. But it has put more emphasis on selling its prestige lines of bone china tableware, where price is least sensitive.

The next big area for economy, if necessary, would be the closure of one or two old factories, although no firm plans exist yet.

"This causes enormous concern to the group executive committee and takes up a lot of time," he explains. "Closing a plant is a very costly exercise, involving not just the disposing of labour but also scrapping machinery, layouts, benches and tools. You have to be clever. If possible, you need 12 months to plan it."

The effects of these economies are not expected to be dramatic. Borrowings will not be reduced this year. Sir Arthur denies that the company has been seriously overmanned.

"Over the past 50 years, we have faced up to the luxury of labour and struck a balance between high technology and the best use of hand skills. We think we know the difference between over-manning and labour intensity," he adds.

In the longer term it is difficult to predict the effect of plant closures if these are carried out.

"We would obviously seek some gain in productivity, but I don't think it would be major," Mr. Peter Williams, deputy chairman, says. "We are likely to remain a labour-intensive industry."

Having done their examination of the state of the company, Wedgwood directors have angrily concluded that the Conservative Government's monetary policy has been the major cause of the decline in the group's profits in the past year.

Mr. Williams argues that, had interest rates been lower, both inflation and the value of sterling would have been lower also. He acknowledges, however, that the company's main complaint is the deeper problem of the availability of long-term capital at reasonable rates.

Wedgwood is in its current fix because most of its £25m in borrowings is on floating interest rates, and the company cannot raise equity capital on reasonable terms while the shares languish some 40 per cent below underlying asset value.

"If the present policy leads to a more sensible relationship between the costs of capital and labour, that would be of the greatest possible benefit," he says.

"I would think that Wedgwood will come through this in good order," Sir Arthur says, "but we didn't need the discipline of the past year to prove that."

He admits that his recent hints about shifting some of Wedgwood's manufacturing activity to the Third World is just "sabre-rattling," but says that the company cannot carry on indefinitely under existing conditions.

"It is an act of faith to continue exporting from this country," as he put it.

APPOINTMENTS

Credit finance director at Lombard North Central

Mr. Norman S. Fosh has been appointed director in charge of credit finance division, LOMBARD NORTH CENTRAL, the finance house subsidiary of National Westminster Bank Group. Mr. Fosh joined Lombard North Central from its wholly-owned subsidiary Tricity Finance in May of this year.

★

Mr. Paul Jacques, formerly a vice-president of Continental Illinois National Bank and Trust Company, has joined BANQUE BELGE as a general manager.

★

From October 6 Mr. Penrhyn C. B. Pockney will become a partner of MULLENS AND CO., stockbrokers.

★

EXCESS INSURANCE GROUP has appointed Mr. Colin Coleman its city manager based at 13, Fenchurch Avenue, London, EC3.

★

Mr. Westi Hansen, until recently chairman and managing director of Goodyear Great Britain, has been elected a vice-president of the parent GOODYEAR TIRE AND RUBBER COMPANY on his return to company headquarters in Akron, Ohio. As a vice-president, Mr. Hansen has taken up a post as assistant to Goodyear chairman Mr. Charles J. Pilliod Jr.

★

Mr. C. Len Shaw has been appointed managing director of H. AND R. JOHNSON TILES. He succeeds Mr. Alan Finden-Crofts who becomes non-executive chairman.

★

On October 6 Mr. Jack Whitehead retires as managing director of FISKEBY (G.B.). He will be succeeded by Mr. J. Charles Whitehead.

★

SIDNEY C. BANKS states that Mr. J. P. U. Burr has been appointed chairman.

★

Mr. J. F. Nash, chairman of J. F. Nash Securities, has joined the Board of NORVIC SECURITIES as a non-executive director.

★

Mr. Jurgen F. Strasser has been appointed a senior vice president of NORTH CAROLINA NATIONAL BANK. He remains general manager of the London Branch. Mr. Clive A. Moir is appointed a vice president. He remains leasing manager with Carolina Bank.

★

Mr. W. S. Coghill has been appointed a director and secretary of the MARTIN CURRIE INVESTMENT MANAGEMENT.

★

Mr. Michael King has been promoted to marketing director, window products, at CRITTALL WARMLIFE.

★

JOHN LAING has formed a company called Super Homes which will produce a range of energy-efficient timber frame dwellings. The Board of Super Homes is: Mr. L. J. Holliday (chairman); Mr. P. D. Holliday (managing director); Mr. J. H. Roullier; Mr. R. J. Wetherall; Mr. R. A. Wood; Mr. R. C. Thornton and Mr J. M. F. Dibben.

★

The Earl of Snowdon has been appointed president for England of the committee for THE INTERNATIONAL YEAR FOR DISABLED PEOPLE, 1981.

★

Mr. Robert D. Richley has been elected executive vice-president of OCCIDENTAL PETROLEUM CORPORATION.

★

Mr. A. E. Weraly, the marketing director of BICC retired from the Board of that company at the end of September. He is also retiring from the Boards of BICC Cables, BICC Industrial Products, Balfour Beatty and several continental and overseas trading companies of the group. He will be taking up other non-executive Board appointments.

★

Mr. James Dooley, formerly general manager of Raleigh Toy Division and managing director of Louis Marx, has joined the Berwick Timpo group as managing director of BERWICK'S TOY COMPANY. Mr. Richard Body has been promoted from sales manager, Berwick's Toy Company, to sales director, Harbutt's Plasticine.

★

Advertising agents MICHAEL BUNGEY OFS (LIVERPOOL) has appointed Mr. Ian Hamilton Fazey, formerly general manager of the Liverpool Daily Post and Echo, a director. He will also head a new company, Bungey Communications, specialising in media relations and corporate communications.

NEB man for Wellcome

Mr. Martin R. Brookman, has joined the WELLCOME FOUNDATION as group finance director. He was previously finance director of the National Enterprise Board, a post he held since the NEB was set up in 1975. He is succeeded at the NEB by Mr. Tony Blackett, 39, deputy finance director for the past four years. Mr. Blackett was previously a senior manager at Price Waterhouse.

★

Mr. Frederick F. Avery will join ANDERSON CLAYTON FOODS, Dallas, Texas, on November 1, as executive vice-president and chief operating officer, a newly-created position. He will have direct responsibility for the fats and oils, non-dairy, and purity cheese business units.

★

Dr. Ken Donaldson has been appointed manager of HULL CITY COUNCIL'S Innovation Centre, which is currently being established to help individuals who have new business ideas to bring them to fruition. He will take up his post in October. Dr. Donaldson is currently head of group technical services at the Hull-based engineering group, J. H. Fenner and Co.

★

An international marketing executive has been named as the new director of the CONFEDERATION OF BRITISH INDUSTRY'S Southern Region. He is Mr. Richard Griffiths who will be responsible for promoting the interests of the 750 CBI members throughout Berkshire, Buckinghamshire, Hampshire, Isle of Wight and Oxfordshire. Previously he was a director with the Reading-based company, Associated Biscuits.

★

Mr. Howard Green, group personnel development director of Thomson Regional Newspapers, has been appointed managing director of the WESTERN MAIL AND ECHO, Cardiff.

Business stay in London costlier

BY ARNOLD KRANSDORFF

LONDON HAS become the most expensive European city for a *short-term* stay by an international executive, according to the *latest survey* by Inbucon, the international management *consultants*.

Among business centres only Tokyo is more expensive. A year ago, when the consultancy last surveyed costs, London ranked ninth in the world after Tokyo, Zurich, New York, Hamburg, Vienna, Brussels, Copenhagen and Oslo.

Costs are based on the expenditure patterns of senior managers accustomed to moving from one country to another. *Including accommodation*, the London-based executive needs to spend almost £300 a week, double the rate in Toronto.

Only in New York are housing costs more expensive. The survey shows that more than half the total weekly expenses in London (£166) are for accommodation, reflecting the heavy premium put on short-term letting in the capital.

Taking into account a similar *pattern of costs* but where housing is based instead on long-term letting, London becomes more competitive. Tokyo, Zurich, Oslo, Hamburg, Dusseldorf and Copenhagen are all more expensive to live in. London's position takes account of a 17 per cent increase in living costs during the 12 months to July, 1980—a figure partly offset by the strength of sterling. Over this period Copenhagen, Athens, Dublin, Milan, Lisbon, Johannesburg and Madrid all had higher increases in living costs after exchange rate movements had been taken into account. The UK, Greece and Portugal share the highest rate of increase in consumer prices.

The survey also indicates that British workers *continue* to be among the most poorly paid in the *industrialised countries*. The figures, based on Gross National Product per head of working population, show average annual earnings are £7,266, only higher than in Portugal (£2,042), Greece (£4,237), Spain (£6,012), Ireland (£6,183) and Italy £6,504). The best paid workers in Europe are the Swiss, West Germans and the Dutch who earn £15,357, £13,582 and £14,205 respectively.

However, the best paid workers are also the most heavily taxed. A married Swede with two children who is paid twice *the national average earnings* takes home only 40 per cent of his gross income—half the percentage of his Spanish equivalent.

1980 International Taxation and Living Costs, £75, Inbucon, 197, Knightsbridge, London, SW7.

'Buy British footwear' campaign launched

By David Churchill

A *MAJOR SHOE* retail chain is launching a price cutting campaign on British-made shoes in an effort to boost Britain's ailing footwear industry.

William Timpson, which has 250 shops throughout the UK, has decided to offer price cuts of at least £1 on British-made shoes, in support of the recent call by the footwear workers' unions for backing by retailers.

More than half of all footwear sold in the UK in the first six months of the year was manufactured overseas, according to trade statistics. Since the beginning of the year, *about 3,300 footwear* workers—about 8 per cent of the total workforce—have been made redundant, while a further 20 per cent are on short-time work.

The downturn in sales as a result of the recession and the rise in shoe imports, has *led to 33* separate factory units being closed this year. *The worst-hit area is North*amptonshire.

The "*Buy British*" campaign by Timpsons was welcomed yesterday by officials from the major footwear unions.

Contractors 'could save councils cash'

BY ROBIN PAULEY

LOCAL authorities should transfer work worth millions of pounds away from council departments and put it out to private contractors bidding competitively, said a Conservative-backed report published yesterday.

Councils could make massive savings in their £20bn a year expenditure by contracting work out, and so avoid the need *to cut* vital services, says Mr. Michael Forsyth, a Tory member of Westminster Council.

The report called "Reservicing Britain" was backed by Mr. Ian Gow, private parliamentary secretary to *Mrs.* Thatcher, Mr. Edward du Cann, *chairman of the Tory 1922* Committee, and Lord Bellwin, *a junior Environment Depart*ment minister.

Mr. Forsyth claims many local authorities in Britain have services which are "expensive, wasteful, inefficient and inadequate." They are vastly overstaffed, subject to ruinous restrictive practices by their labour forces, and top-heavy with unnecessary layers of bureaucracy. The public neither liked the service nor the cost.

"The recent history of public services now leads people to *accept with resignation that they* will be inadequate, shoddy and expensive, characterised by queues, by interminable labour disputes and by an off-hand attitude in which the recipients of services are expected to take what is provided and be glad," he writes.

Mr. Forsyth *says* economies could be made by using the business efficiency methods of the private sector. Elimination of time-wasting and duplicated effort, together with streamlined *management techniques* could lead to considerable savings.

Maldon District Council, *Essex, saved* nearly one-third of its £187,000 refuse collection costs by employing private contractors. When Rochford considered a *similar* project, the council's refuse collectors came *up with a new productivity* scheme which saved £100,000 a year.

Mr. Forsyth also cites the saving of £50,000 in Humberside when the cleaning of school windows was contracted out, and the saving in Northampton when volunteers were trained to drive mini-buses.

But Mr. Forsyth draws extensively on examples from abroad, particularly in the United States, where the structures and financing of local government and its *services is not* comparable with Britain.

His examples of saving by the use of private contractors show that the councils involved were undoubtedly not operating at maximum cost effectiveness.

Hambro chief to lead unit trust body

MR. MARK ST. GILES, managing director of the Allied Hambro Group, has been nominated chairman designate of the Unit Trust Association. His two-year term of office will begin in April 1981 when the current chairman, Mr. Cholmeley Messer, joint managing director of Save and Prosper, steps down.

Mr. St. Giles' nomination comes at a time when unit trusts are failing to attract the volume of new business they would like. The uncertain outlook for equities *throughout much of the last* decade has rubbed off *recently on unit trust sales* with net new investment at a particularly low *ebb*.

"If there is one thing I would like to achieve during my term of office it will be to persuade investors that unit trusts are an efficient, effective and simple way of investing in shares."

Technical changes, he *pointed out*, such as new freedom for funds from capital *gains tax, the abolition of* exchange controls, and decon*trol of management charges*, had greatly improved the climate for unit trusts in need to change the investing recent months.

Docklands airship terminal suggested

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRSHIP flights over London, from a terminal in the Docklands, are a possibility being studied by the Planning and Communications Policy Committee of the Greater London Council.

A feasibility study prepared for the committee, to be discussed at a meeting on October 10, suggests that while the airship designs proposed can meet safety standards, the main objection to them is likely to be noise.

The plans are believed to include two types of airship—one a cargo-carrying craft, and the other a 70-seater passenger craft.

Mr. Alan Greengross, leader of the committee, said yesterday: "At the moment, investment is highly speculative. But, if the problems can be overcome, London must be ready to seize new initiatives.

"Already moves are afoot to set up an airship manufacturing plant in the *old London docks*, and perhaps a terminal nearby."

Two UK companies are en*gaged in studies on* airship developments. Airfloat Transport is working *on plans* for a cargo-carrying craft, while Airship Industries (formerly Thermo Skyships) of the Isle of Man, is developing a passenger-carrying craft.

The GLC study indicates that large airships would require a terminal of at least 50 acres, compared with the current one-acre site of the Battersea *heli*copter landing station and the 2,819 acres of Heathrow Airport.

Noise, especially in the vicinity of the terminal, could be an environmental problem, according to the GLC study. Although the cruising noise of the proposed airships would be less than that of helicopters, it would be of longer duration owing to their slower speed.

Noise, at the lower altitudes flown by airships, would be expected to exceed the GLC's present standard for helicopter noise, especially on approaching and docking.

Mr. Greengross said: "It is possible that one day some firms may prefer to send certain goods by air rather than by road, particularly transformers and other giant loads that would otherwise have to be dismantled and re-assembled at their destination."

● Improvements to Heathrow *Airport's Terminal One* (used by British Airways passengers *to and from Europe*) are due to start soon, at a cost of £5½m.

The first floor of the terminal will be extended to provide new quarters for immigration and health control. The space which they will vacate on the ground floor will be used to extend the baggage reclaim area.

Futures exchange widely supported

BY ALAN FRIEDMAN

THE NEED to manage financial risks in a period of economic uncertainty was cited yesterday as the main reason for engaging in trading contracts in financial futures.

Several speakers at a one-day conference at the London *Hilton* defended financial futures as an important method *of reducing risk attached* to movements both of interest rate and *currency levels*.

Widespread support was *voiced for establishment of a* London financial futures ex*change soon*.

Officials of the Chicago *Mercantile Exchange joined* with UK-based speakers to tell *the audience—about* 250 businessmen and investment managers—that the need for a financial futures market in the *City would increase as* the world economy became more volatile.

Mr. Leo Melamed, special *counsel to Chicago Mercantile* Exchange, noted that the world *had entered* an era of financial uncertainty never recorded.

"Financial futures present an unparalleled potential for meeting needs of financial managers in an age of historic uncertainty and risk," he said.

Last year financial futures accounted for more than 34 per cent of 76m future contracts traded on U.S. exchanges, he said.

The International Monetary Market, the financial arm of Chicago Mercantile Exchange, had a volume of 7.7m contracts last year of which 2.2m were currency contracts, 3.5m gold and nearly 2m in 90-day Treasury Bills.

Dr. Clayton Yeutter, president of Chicago *Mercantile Exchange*, said the world was unlikely to *become less volatile* in the 1980s than in the past decade. "We *need to develop* new techniques to offset risks."

Dr. Yeutter said he discussed with Bank of England officials this week the workings of the Chicago market in financial futures, as well as prospects for the start of a similar market in London.

He said Bank of England staff examining proposals for a London market would this month visit Chicago.

Mr. Neil Matthewson, director *of the* International Commodities Clearing House, *described proposals* for establishing a financial futures *exchange in the* City, and progress of the London financial futures working party, of which he is a member.

The London-based working party was set up last year. In June it *submitted* a study to the Bank of England. This month a discussion paper will be published for circulation among interested UK parties.

Mr. Matthewson *said* seminars, from late this month *till early December*, would explore London interest. He *said that a financial futures* market could be formed by the *end of 1981*.

The possible contracts would *be currencies, sterling interest* rates, and Eurodollar interest *rates, as these have the greatest* relevance to London markets.

Mr. Matthewson expressed confidence that a London exchange would be *successful*, because of the existing financial infrastructure, the fact that the market would be the first in Europe, and the prospect for a system of self-regulation which would provide a market of integrity and stability.

Most important, he said, there was a genuine economic need to be met in contracts in sterling, and Eurodollar interest rates would give participants a chance to hedge not currently available.

Mr. John Sandner, chairman Chicago Mercantile Exchange, joined the chorus favouring a London market. He said volume growth of the Chicago market should be taken as an example of how trading could develop.

In the first half of 1980, turnover in U.S. Treasury Bill contracts increased by more than 130 per cent compared with the first half of last year, he said. Turnover in foreign currencies had risen by more than 120 per cent for the same time.

As an example of benefits of such trading, *Mr.* Sandner described the loss of about $12m *last year by some* participants in a syndicate which managed a $1bn bond offer for IBM.

The selling syndicate had just taken responsibility for the issue when a financial announcement by the U.S. Government caused the market to drop several points. One firm in the syndicate had hedged on the interest-rate market but others lost money because they had not hedged.

In addition to hedgers, the importance of speculators was *defended by Mr.* Laurence Rosenberg, a former CME *chairman*. He said the financial futures market functioned through a combination of institutional users, local floor traders and individual customers. Speculators were essential to the functioning of markets, he said. They took the opposite side of the hedge transaction and provided liquidity.

Mr. Fred Arditti, Chicago Mercantile Exchange chief economist, presented strategies which he said could use Treasury Bills futures trading to hedge on Eurodollars. Until a Eurodollar market was established in the U.S. or London the Treasury Bill technique represented an "imperfect hedge" but was better than no hedge at all.

The conference ended yesterday with workshop sessions on technical aspects of trading in foreign exchange futures, gold futures and interest - rate futures.

Outline consent for Tricentrol terminal

By Ray Perman, Scottish Correspondent

TRICENTROL Oil has been given outline planning consent to build a £10m liquid petroleum gas terminal in Shetland, next to the Sullom Voe oil complex.

The company proposes to build a pipeline from Sullom Voe, which receives oil and gas from the Brent and Ninian field groups.

Liquid gas would be stored in refrigerated tanks and loaded via a jetty into gas tankers for export to European and Scandinavian customers.

Tricentrol has developed the plan with the Anglo Dutch company Chemical and Oil Storage Management, which would run the terminal. The companies believe that the increase in real energy prices since Sullom Voe was planned has opened new markets for liquid petroleum gas.

Sullom Voe, a jointly owned terminal shared by 30 oil companies, will have its own gas separation, storage and loading facilities, but Tricentrol says these will be suitable only for large shipments, mainly to the U.S., using carriers of more than 10,000 cu ft capacity.

Its own plan envisages smaller shipments using smaller vessels. Some gas will travel by road for sale in the Shetlands.

Tricentrol has access to gas of its own through its 9.6 per cent stake in the Thistle field but it will need much more than this to make the venture worthwhile. It is now trying to make agreements with other partners in Sullom Voe for the handling of gas.

If the project goes ahead, detailed applications will have to be submitted to Shetland Islands Council.

Standard emerges on top in battle for London's readers

Lisa Wood looks at the fluctuating fortunes of the capital's two evening papers

IT APPEARS that the Evening Standard has emerged the victor in its proposed merger with the Evening News after several years of wrangling over who takes over whom.

In a joint statement issued yesterday by Associated Newspapers, which owns the News, and Express Newspapers, which owns the Standard, it was said that "London's evening newspaper will be published and printed by the Evening Standard."

More than three years ago it was the Evening Standard, owned by the ailing Beaverbrook Group, which was threatened with closure in a deal planned by Lord Rothermere, then Mr. Vere Harmsworth, chairman of Associated Newspapers.

He wanted to take over the Standard, close it and re-launch the News, as a tabloid somewhat modelled on Associated's Daily Mail.

The deal foundered after Associated offered £5m for Beaverbrook's Standard and a total deal worth £13.5m over five years. Sir Max Aitken, the chairman of Beaverbrook, was inclined to accept the offer, because the company was heading for severe cash difficulties.

Besides the Daily Express, the profitable Sunday Express and the loss-making Standard, the group had few cash-generating resources.

However, the Beaverbrook board was divided. One faction, led by Mr. Charles Wintour, then managing director of the Express, was bitterly opposed to a takeover by the old rival and searched energetically for an alternative way of injecting cash into Beaverbrook.

Several possible suitors expressed interest, including Mr. Rupert Murdoch's News International, publisher of the Sun and the News of the World.

Some company or individual was needed who would be prepared to put at least £10m and probably more into the ailing Beaverbrook empire and find some long-term remedy for its poor profitability.

At the same time Mr. Wintour and Mr. Simon Jenkins, then the editor of the Standard, mounted a brilliantly successful public campaign to "Save the Standard," largely on the plea that it was a "quality" paper with a much more serious coverage of the arts and politics than its more populist rival.

Of all the suitors, Sir James Goldsmith, chairman of Cavenham, seemed at one time to be the front runner.

Then, to many people's surprise and to Sir James' dismay, Beaverbrook Newspapers accepted a £13.69m takeover bid from Trafalgar House in July 1977. The Standard, running at a loss, appeared to be saved.

Associated retreated, much discomfitted. It decided to go ahead anyway with the re-designed tabloid Evening News in an attempt to win over the Standard's more affluent readership, and the more lucrative advertising.

But the decline in the circulation of both newspapers continued. In 1977 the News had a circulation of 553,000 and the Standard 411,000. Latest figures show their circulation to be 462,000 and 371,000 (January to June).

But while the News continues to have the larger circulation, it has lost money. Last year it dropped the Saturday edition, reduced distribution and allocated nearly £6m for redundancies in an attempt to cut to £2m the projected £7m loss. But this year its losses were projected by some city analysts to reach nearly £10m.

However, at the same time the Standard, after a marginally profitable period, has moved into losses, and Trafalgar House face a projected £6m loss this year from the Daily Star, launched in 1978.

Under the deal the Standard has a possible readership of nearly 800,000. Mis Jenny Nibbs, a newspaper analyst at stockbrokers Buckmaster and Moore, said: "For the last couple of years we have had two virtually indistinguishable papers rivalling each other in a reduced market."

In contrast, provincial evening newspapers have done reasonably well in recent years, unlike regional morning papers.

But the loss of the News will leave spare capacity on Associated's printing presses. This throws up the question of what will take up the slack. At present the News is printed on the same machines as the profitable Daily Mail.

Perhaps the move could be clearing the decks for the Sunday paper planned by Associated.

Oil consumption drops as recession deepens

BY SUE CAMERON

FURTHER signs that the UK recession is deepening came yesterday with the release of official statistics showing a substantial drop in oil consumption this summer. Britain used 16.7 per cent less oil from June to August than in the same three-month period last year. General inland energy consumption was down by 7 per cent.

The provisional statistics, published by the Department of Energy, show the UK used 17.5m tonnes of oil between June and August this year compared with 21m tonnes in the summer of 1979. Oil consumption for inland energy purposes alone—excluding the crude put into bunkers or used for refining or for making petrochemicals — was down by 11.3 per cent compared to the same period last year.

Deliveries of oil products — such as fuel oil — for energy purposes fell by 15.2 per cent while those for non-energy uses dropped by a huge 46.1 per cent.

Coal consumption was also down—by 4.3 per cent—while that of natural gas dropped by 1.2 per cent compared to the same period last year.

The figures clearly reflect the cutback in manufacturing that has taken place as a result of the economic downturn. But industry experts yesterday pointed out that last year's figures for fuel consumption may have been unusually high because of the fears of supply shortages and of further increases in fuel prices that took place after the revolution in Iran.

The statistics released yesterday show that UK fuel production fell during the summer as against the figure for last year. Between June and August Britain produced 71.3m tonnes of indigenous fuel in terms of its coal equivalent—3.4 per cent less than in the same period of 1979. The biggest drop came in natural gas production—12.3 per cent lower than last summer. Oil production fell by 6.6 per cent. Coal production rose by 4.6 per cent.

Joint research into fuel injection

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LUCAS CAV of the UK, and TRW, the U.S. components group, have linked to make a significant step forward in diesel engine fuel injection equipment technology.

The two companies are using their combined expertise to develop a micro-processor-controlled diesel-fuel injection system from a Lucas CAV concept.

They hope to have the system ready by mid-1983 and to be the first to go into mass production with electronic fuel pumps for diesel engines.

If the companies succeed, the system would be of great interest to the U.S. car groups. It would enable diesel engines to achieve even better miles per gallon figures and would also help engines satisfy the increasingly severe emission control legislation in the States.

Control by ECU (electronic control unit) would also compensate for gradual wear of mechanical components, allowing longer vehicle service intervals.

Lucas CAV hopes that the system will give it a clear lead over its main rival in the fuel injection equipment market, Robert Bosch of West Germany. Between them, these two groups account for about 60 per cent of the world market for diesel fuel injection equipment. Stanadyne of the U.S. has about 12 per cent.

Lucas CAV said last night: "As with many other automotive products, electronic control is the most cost-effective method of achieving progress for diesel fuel injection equipment."

TRW's subsidiary Automotive Worldwide, will develop and produce the electronic control unit based on joint design work by the two companies. Lucas CAV selected TRW for its partner because of the group's electronics experience—among other achievements Automotive Worldwide developed the Pioneer II spacecraft which reached Saturn last year.

The agreement allows for manufacture of the ECU by both Lucas and TRW with transfer of production know-how between them. Lucas CAV will manufacture the high precision mechanical hardware and special sensors and actuators.

Western world sales of all types of automotive diesels (including on and off highway, agricultural and marine) is expected to rise to more than 10m by the late 1980s—more than double the 1980 total.

Better tractor launched by Seddon Atkinson

BY JOHN GRIFFITHS

SEDDON ATKINSON, International Harvester's Lancashire-based heavy truck builder, is replacing its 400-model tractor unit. The unit has been UK market leader for three years.

The 401 series, said to be a quarter of a ton lighter and up to 8 per cent more fuel-efficient than its predecessor, enters volume production in January at both the Preston and Oldham plants.

Depending on demand, up to one-third of Seddon's 6,000 units a year capacity may be devoted to the 401. The company says it intends the 401 to capture 15 per cent of the UK tractor market. Last year the 400 had 14 per cent. The proportion has edged up since then.

But the 401 makes its début at a gloomy time both for Seddon and the commercial-vehicles industry. The UK market has fallen sharply since May and, in common with other commercial-vehicle makers, Seddon had been working a three-day week for months. From last week, however, its employees have been reduced to one-day working while Seddon tries to reduce stocks. The company expects to produce about 4,000 vehicles in this financial year, ending this month.

The 401 is the seventh Seddon model introduced this year, illustrating the heavy investment to strengthen Seddon's position in the UK marketplace.

Seddon's share of the UK heavy-truck market overall stands at nearly 13 per cent, from 11.7 per cent two years ago. Taxable profit last year was up from £7m to £10.2m.

Seddon has concentrated on cementing its position in the UK and has lacked network facilities to export in any quantity to Europe.

But this week International Harvester, signed an agreement by which this parent takes a substantial stake in Enasa, the Spanish truck company, as part of plans to establish a European presence. In the process it should open the door to collaboration with Seddon.

Panther wins extra week as bid examined

Financial Times Reporter

A BUYER may have been found for Panther Westwinds, the Byfleet-based specialist car maker which was placed in receivership last December.

Deloitte, the receivers, said in July that unless a buyer was found Panther would close on September 30.

But the company has been reprieved until the end of this week, by when, Deloitte said yesterday, "an agreement for a takeover of Panther may have been signed. It is currently being examined by lawyers."

It was indicated yesterday that Panther would continue under a new owner to make cars. Panther produces the Lima two-seater sports car and the larger J72 saloon, and finishes and paints sports cars for the nearby AC Cars company.

Panther collapsed owing nearly £1m. It still employs about 50 people, compared with about 200 before the receivership.

Small car market 'offers best value for money'

BY OUR MOTOR INDUSTRY CORRESPONDENT

BL WILL launch its Metro next week into a fiercely competitive sector of the car market which already offers the best value for money, according to the Consumers' Association's Good Car Guide.

The guide, published today, says: "The best value around today is in the small car market. There are a lot of cars to choose from around the £3,000 to £3,500 mark."

But in spite of the most popular sector of the market—that covering mid-price, mid-range family cars—being crowded with models, very few offer good value for money, says the guide.

It says that at the more expensive end of the market "you can still find you are paying over the odds—a £7,000 car may offer no more than one costing £6,000."

The guide suggests that there has rarely been a better time to buy a new car and there is very little need to pay the full list price."

In its "value for money" chart, the guide lists eight cars which give "good value": the Volkswagen Polo N, the Peugeot 305GL, the Honda Accord, the Vauxhall Cavalier, the Renault 20LS, the Ford Granada 2000L, the Vauxhall Carlton and the Volvo 244DL.

Twelve other cars are listed as "worth thinking about": the Citroen Visa Club, the Ford Fiesta 950L, the Vauxhall Chevette L, the Opel Kadette, the Renault 12TL, the Alfasud Super 1.3, the Volkswagen Golf 1300LS, the BL Maxi L, the BL Princess 1700L, the Audi 80GLS, the Peugeot 505SR and the Rover 2300.

● Ford UK increased its prices by an average of 3 per cent yesterday. But the new Escort—and any of the old-style Escorts left in showrooms—were not affected.

The increases could not have come at a better time for BL which is working out the price it should charge for the Metro range. Ford's Fiesta is the Metro's main UK rival.

£5 gold coin auctioned for £11,000

By Antony Thorncroft

SOME exceptional prices were paid for English coins yesterday in a Glendining auction which totalled £255,560. A George IV 1826 £5 gold coin was the top price at £11,000 followed by the £9,200 for a Charles II five guineas of 1668 and the £8,800 for a William III five guineas of 1701. Among the silver coins, a William IV crown of 1831 went for £5,800 and a collection of 137 sets of Maundy coins, ranging from Charles II to Elizabeth II, realised £7,200.

Sotheby's completed its two-day sale of the contents of Much Hadham Hall in Hertfordshire with a total of £247,790. Top price yesterday was £9,200 for a George II mahogany architectural cabinet in the manner of William Hallett.

Christie's sold jewels for £239,930. A diamond collet circle and brooch went for £9,000. A diamond and rose diamond head ornament in the form of a spray of oak leaves and acorns, said to have been given by King Charles II to Nell Gwynne, realised £8,500.

BP Chemicals tries to regain sales

BY ROBIN REEVES

AN ATTEMPT to recapture a major share of the UK nitrile synthetic rubber market is to be made later this month by BP Chemicals.

The drive is to be launched with the aid of a new £5m automated nitrile rubber finishing line, which has just been commissioned at the company's Barry complex, South Wales.

Imports have made significant inroads into the UK market for nitrile rubbers in recent years, and currently account for some 70 per cent of total UK demand estimated at about 13,000 tonnes a year.

BP Chemicals, now the only British producer of nitrile rubbers, believes that the improved product quality, resulting from the new finishing line, will enable it to win back a greater market share.

The investment gives Barry the capacity to produce up to 20,000 tonnes of nitrile rubber and latex a year.

The new range will face stiff competition from importers, notably U.S. producers. They are selling at prices 25-30 per cent below UK levels, because of their lower feedstock and energy costs.

BP Chemicals estimates that nitrile rubber imports of U.S. origin are currently some 300 tonnes a quarter, double the level of a few years ago. The total UK market has been cut by up to 20 per cent as a result of the general recession and the cutbacks in the motor industry.

Milk distribution system criticised

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE CONSUMERS' Association yesterday attacked the milk distribution system which it claimed had made the price of UK milk the highest within the European Economic Community.

The association's comments, in the latest issue of Which? magazine, coincide with a decision of the Office of Fair Trading to refer the milk distribution system to the Monopolies and Mergers Commission for a full-scale investigation.

The announcement of this investigation has been delayed by opposition from the Ministry of Agriculture.

The association says the lack of competition in the UK milk distribution system makes such an investigation essential. It says the Milk Marketing Board buys almost all the milk produced in Britain, which it then sells for further processing.

But the price of milk for sale in liquid form is fixed by the Government at a higher level than the price charged by the board for the rest of its milk. This difference, known as the "liquid premium," is about 2p per pint.

The dairies who buy from the board have not challenged the price, "because the dairy trade itself enjoys a high degree of protection from rising costs."

The Dairy Trade Federation said last night that the Which report "records a high level of consumer choice and satisfaction."

Road safety record best in 20 years

By Lynton McLain, Transport Correspondent

BRITAIN'S ROAD safety record last year was the best for 20 years, but cycling has become more dangerous, according to a report published yesterday.

A total of 6,351 people were killed on the roads last year, 480 fewer than in the previous year and the lowest since 1959 when Britain's first motorways opened to reduce congestion and accidents on other roads.

The British Road Federation says "the risk of involvement in accidents has been falling steadily for every type of road vehicle except pedal cycles."

Last year 320 cyclists were killed and 23,336 injured, compared with 316 killed and 21,885 injured in 1978.

Federation statistics show that the safest form of road transport last year was the heavy lorry, over 1.5 tons unladen weight. Motor cycles were nearly 12 times as likely to be involved in an accident as was a heavy lorry.

Basic Road Statistics 1980, British Road Federation, 388-396, Oxford Street, London, W1 9HE, price £3.

Blue Circle given go-ahead on Armitage

Andrew Fisher examines the bid by Britain's biggest cement group for the top sanitary-ware concern

WHEN Blue Circle's bid for the Armitage Shanks sanitaryware company was handed to the Monopolies Commission for scrutiny at the end of February, the response was quizzical to say the least in industy and the City.

Seven months later, the commission has given Blue Circle its consent to go ahead with an offer which had already been accepted by the company and most of the shareholders.

The merger of Britain's largest cement group with its last major independent bathroom-fittings company would not, it concluded in its report yesterday, act against the public interest.

Blue Circle was prepared to pay more than £30m for Armitage Shanks in an attempt to broaden its activities and lessen its dependence on the cement industry. Blue Circle has around 60 per cent of the domestic cement market and widespread overseas interests.

In Blue Circle's view, the prospects for real growth in cement sales are limited in the UK and other developed markets. It told the commission that it wanted to move into areas where its experience on the cement side, the building and home improvement industries and of builders' merchants would be relevant.

Hence the bid launched in January for Armitage, the largest ceramic sanitary ware company in Britain. However, the issue was complicated by the Lebanese-owned Ceramics Investments, which had a share of over 28 per cent in Armitage by the time the Monopolies Commission came into the picture.

Ceramics Investments felt the bid was too low and held out against the terms. Mr. Gilbert Gargour, of the family which owns Ceramics, gave evidence to the commission and told it Ceramics Investments would not automatically bid for Armitage if Blue Circle's offer was blocked.

Last night, Blue Circle and Armitage were still considering the situation, having welcomed the go-ahead for the takeover. Since Blue Circle had received acceptances from a big majority of the shareholders, it seems likely that it will renew its attempt. Yet its own share price has since moved up considerably, adding several million pounds to the original value of its bid.

So why was the surprise reference to the commission made in the first place? Its report mentions the original concern that competition could be restricted or distorted.

Blue Circle could, for instance, use its greater market strength vis-à-vis builders' merchants by offering favourable terms through rebates, discounts or credit for the Armitage range of bathroom products so as to win business for products supplied by other parts of the group.

Or it would be able to subsidise Armitage so that it could offer uneconomic prices on terms low enough to drive its competitors to the wall. Since its profits on cement are substantially safeguarded under the industry's Common Price Agreement, it would be in an especially favourable position to do this.

In the end, the commission agreed that the merger would not reduce competition in the markets for sanitaryware or other bathroom products.

One reason for this view was Blue Circle's intention of maintaining and improving Armitage's profitability. Another was Blue Circle's own assurances that it would not offer especially good terms for any of the Armitage products, nor operate predatory pricing policies aimed at putting competitors out of business.

The commission was also swayed in Blue Circle's favour by the strength of the other suppliers in the sanitaryware market, all of which are part of major companies such as Reed International and American Standard of the U.S., Lafarge of France and the S. Pearson group.

The commission did have one significant regret about the bid, however. If Armitage Shanks became part of Blue Circle, less financial information about its performance would be available. It recommended, therefore, that the companies should be legally required to disclose more details about their separte operations.

UK NEWS – LABOUR

Weighell to protest at committee expulsion

By Christian Tyler, Labour Editor

MR. SID WEIGHELL, general secretary of the National Union of Railwaymen, said yesterday he would protest at the meeting of the TUC General Council this month about his removal from the chairmanship of its transport sub-committee.

Mr. Weighell revived the issue yesterday at the Labour Party conference in Blackpool, after what he claimed was the refusal of the Transport and General Workers' Union to meet him and explain why it had moved to expel him.

Mr. Moss Evans, general secretary of the transport workers, has denied that there was any campaign to root out moderates in the wake of the removal of Mr. Frank Chapple of the electricians' union from the TUC's "inner cabinet," the Finance and General Purposes Committee.

The chairmanship of the transport committee was taken by Mr. Larry Smith of the TGWU on a vote of the committee: Mr. Weighell said the incidents would mean friction betwen his union, which heads the rail lobby, and the transport workers who represent the bus drivers.

He accused the transport workers of ignoring the custom by which TUC seniority and the size of the union were the main factors in appointing committee members and chairmen.

The traditions of free speech had ben sullied and co-operation between the unions on developing European and British transport policy had been undermined, he said.

Merger of AUEW craft sections is halted

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE white-collar section of the Amalgamated Union of Engineering Workers has halted, indefinitely, the merger of the three craft sections.

The certification officer, the Government official who oversees union mergers and transfers of engagements, upheld AUEW TASS's objection to the complete amalgamation of the engineering, foundry and construction sections.

TASS threatened to refer the merger to the High Court if the certification officer allowed it to proceed. However, it is now possible that the engineering section, with 1.2m members, the dominant one of the four, will itself take legal action to clear the way for merger.

Mr. John Edwards, the certification officer, will today meet lawyers representing the engineering section to discuss action the section might take.

Mr. Edwards accepted legal advice that the proposed merger of the three craft sections could not proceed unless the rules of the new amalgamated union were settled first.

The craft sections proposed a merger which would leave the question of the amalgamation's rules in abeyance, a proposal which TASS could not accept.

Plans for merger had been well advanced when TASS's objection was lodged weeks ago. The 25,000-strong construction section prepared ballot paper's on the merger, to send to its membership. The 56,000-strong foundry section was a few weeks away from a similar ballot.

TASS's objections were based largely on its fears that the national delegate conference of the new body would have no effective policy-making powers.

At last month's national delegate conference in Llandudno the engineering union's national committee, meeting before the conference, decided to oppose three constitutional changes proposed by the Labour Party's Left, thus effectively committing the conference to that position.

TASS, which takes a Left-wing position on most issues, objected to the engineering section move. However, its action in blocking merger has aroused resentment among even Left-wingers in the engineering section.

Unions fail to agree on BR measures

BY PHILIP BASSETT, LABOUR STAFF

AN ATTEMPT to unite all three rail unions to back a package of proposals naming the price for co-operation with British Rail's productivity and efficiency measures has foundered.

It was made by the National Union of Railwaymen. But the train drivers' union ASLEF, has decided not to co-operate.

Mr. Ray Buckton, ASLEF general secretary, said yesterday in Blackpool that his executive had decided that it would not go along wholesale with the NUR's proposals, although it was prepared to deal with individual points on productivity improvement brought up by British Rail as they occurred.

Mr. Buckton was critical of the NUR's document. A New Deal for Railwaymen. The proposals could have a severe effect on the promotion of train drivers without affecting British Rail guards, mainly represented by the NUR, he said.

The white collar Transport Salaried Staffs' Association is also unwilling to support the NUR initiative. At its last meeting, the NUR executive decided to press ahead with its proposals alone. British Rail, however, is not keen to take up the package without the agreement of the other unions.

The differences between the positions taken by the unions are likely to be aired during a regular meeting between the unions and the British Railways board in two weeks' time.

Offer of 11% by Shell and BP may bring refinery strikes

BY NICK GARNETT, LABOUR STAFF

THE TRANSPORT and General Workers' Union has warned Shell and BP that their refineries almost certainly face industrial action by workers following offers of pay increases as low as 11 per cent.

Shell has just offered 3,700 hourly paid refinery and chemical workers an increase of 11 per cent on basic rates—together with a 37½ hour week from October, 1983.

This follows offers by BP of 10 per cent and 11 per cent respectively to its refinery workers at Grangemouth, Scotland and Grain, Kent. The BP offers, do, however, include the possibility of re-negotiation in six months.

A joint Shell, BP shop stewards' meeting is scheduled next week in London.

Mr. John Miller, the union's national secretary for the oil industry, said yesterday that unless the companies made very substantial improvements in their pay offers, the meeting would discuss a co-ordinated policy of industrial disruption.

"In our view those offers contain a political flavour. We think they are governed by what the CBI and the Government have been saying and not by the companies' ability to pay. The companies have adopted a common stance and we'll have to meet that with a collective approach."

When BP made its offer to Grangemouth workers, the company told the union it had been influenced by a decline in the profit performance of BP's refining and distribution service in Britain.

The union yesterday resumed negotiations with BP at Grangemouth, although the outcome was still not known last night.

Mr. Miller said industrial action would be prevented if BP offered substantial improvements at the meeting. He was sceptical, however, whether such improvements would be made.

Shell is due to respond next week to the union's rejection of its 11 per cent offer. The union and the company are close on the issue of hours, but Transport and General Workers' Union negotiators are seeking a 37½-hour week by January 1983.

Co-op workers warned over next pay round

TRADE UNIONS representing Co-op workers were warned last night that in the next pay round they must expect a settlement amounting to less than the inflation rate.

The warning came from Mr. Frank Dugdale, secretary of the Co-operative Employers' Association, who was addressing the movement's sectional industrial relations commission in Manchester.

He said the economic facts of life dictated that Co-op wage rates must be no higher than the general level of their competitors.

Government policies had induced a recesison in which summer sales were continuing into the autumn "in a desperate attempt to maintain sales," said Mr. Dugdale.

It was a recession which dictated that shopworkers, like other workers, had to accept low pay increases to minimise the number of shops closed and jobs lost. If the Co-ops wage target were not met, it would mean that for every pound a week more, a Co-op job would go.

Turnng to public spending cuts, Mr. Dugdale said he was not aaginst the Government's aim of making the public sector more efficient.

Mr. Dugdale said increasing numbers of employers in retail distribution were not honouring their statutory obligations. The Government's own figures, quoted in the Commons on July 16, had shown that in effect one-third of High Street shops were under-paying their staff.

Pay claim goes to arbitration

AN ARBITRATION hearing on a pay claim covering 500,000 town-hall staff was scheduled for October 21 yesterday amid employers' warnings that any increase in excess of 13 per cent would have to be paid for by staff cuts and reduced services.

Cash payment plan to end union dispute

By Pauline Clark, Labour Staff

THE ELECTRICAL and Plumbing Trades Union said yesterday it was finalising plans to distribute strike pay, at a cost of £500,000, to members involved in the national steel strike earlier this year.

It is hoped the distribution of the money to 5,500 of the union's members working for the British Steel Corporation will end discontent among the members over the issue which has soured relations between the union's leaders and shop stewards in Wales.

Local representatives of 2,000 men involved in South Wales earlier this year threatened action against the union if they were not paid the full union benefit of £15 a week.

The electricians in Wales will meet next week however, when they are expected to accept a decision to pay £9 a week to craft members and £7.50 a week to auxiliary members.

The union said its rule book gave the executive discretion to vary strike benefit according to circumstances and the sum was allocated with a view to its effect on union funds.

Crane drivers end national strike

BY NICK GARNETT, LABOUR STAFF

MOBILE construction crane drivers who have been on national strike for more than two weeks are expected to resume work tomorrow following acceptance of a peace formula agreed early yesterday.

After 10 hours of negotiations at the Advisory, Conciliation and Arbitration Service, the construction section of the Amalgamated Union of Engineering Workers agreed proposals for ending the dispute which were later accepted by mass meetings of the drivers.

Last week the union instructed all its static crane operators, including those on North Sea platform work, to strike from the beginning of this week in support of the more than 3,000 drivers of mobile cranes.

That instruction was deferred pending negotiations at ACAS with the Contractors' Plant Association, which represents companies employing mobile crane drivers.

The settlement involves the reinstatement, without loss of service entitlement, of the 500 crane drivers suspended or dismissed for operating an overtime ban in pursuit of their pay claim. It also incorporates a slightly improved offer on pay for maintenance work.

The union and the CPA had agreed an increase, worth about 15 per cent, on the hourly basic rate lifting it from £1.77 to £2.20.

Move to restrict firework sales

BRITAIN HAS the world's worst record of firework accidents, according to a report published by the National Campaign for Firework Reform.

A survey shows that most other countries regard fireworks as explosives. The campaign seeks legislation to ban the general sale of fireworks in the UK.

Law disappoints directors

BY OUR LABOUR STAFF

THE INSTITUTE of Directors, in a submission to the Department of Employment, says major parts of the draft codes of practice on picketing and the closed shop, should have been included in actual legislation.

Its submission is one of 27 made so far by nervous organisations to Mr. James Prior, Employment Secretary. Mr. Walter Goldsmith, the institute's director, expresses disappointment "with the existence of quasi-legal obligations."

The institute says that some parts of the codes are unclear and will lead to confusion.

"We have only begun to remove the excessive immunities and privileges enjoyed by trade unions in this country, which hamper progress towards urgently needed increased productivity," Mr. Goldsmith said.

UK NEWS—LABOUR PARTY CONFERENCE

The sinister foreigner makes a comeback

By John Hunt

In the old Labour Party of Atlee and Gaitskell, the need for international unity and fraternity was always an important theme at the annual conference. Venerable delegates would receive rapturous applause as they rambled on about the need for party members to join with their brothers in Europe in the march towards a Socialist utopia.

In today's harsher climate, however, this has all taken a bit of a knock and the figure of the sinister foreigner has been resurrected as a scapegoat for Britain's troubles.

If only they would stop bombarding us with their cheap cars, TV sets and clothes, all would be well.

So when the subject of the Common Market came up at yesterday's conference those who wanted Britain's withdrawal were faced with a dilemma. How to make this plausible without seeming to give a kick in the teeth to their comrades in the social democratic parties in Western Europe.

Certainly there was no lack of advice to delegates as they poured into the hall. They were bombarded with pamphlets by the usual mob of wild-eyed representatives from a variety of splinter groups.

The schizophrenic nature of the problem was exquisitely summed up in a tortuous article in one such document, the Left-wing Socialist Organiser. Yes, it was true that the EEC was a threat to the living standards of the British working class. On the other hand, the IMF was an even bigger threat.

Even worse, if the Left-wing backed withdrawal from the Market, they would find themselves with such strange bedfellows as Mr. Enoch Powell, the National Front and even some elements of big business.

Therefore, the Socialist Organiser advised its readers to vote against withdrawal on the ground that for Britain to pull out would be "a diversion up the blind alley of nationalism."

The debate which followed was certainly not marked by any sophisticated or penetrating argument.

Despite the advice of the Socialist Organiser, the tide of nationalism was growing so strongly through the hall that hardly a speaker dared mount the rostrum to defend British membership of the Community.

Mr. Clive Jenkins of the ASTMS, presenting the motion for British withdrawal, had no doubts or hesitations. As usual, he painted the picture with a broad brush as a delighted Mr. Anthony Wedgwood Benn looked on from the platform nodding his approval.

The pro-Marketeers should be put in the "nick" for having got Britain in on a false prospectus. Britain's North Sea oil revenues were going to subsidise the Bavarian farm of Herr Franz Josef Strauss.

These sallies were greeted with rapturous applause from delegates.

Then, halfway through the debate, an ominous booing arose from the hall. It was the delegates' way of greeting Dr. David Owen, former Foreign Secretary, a pro-Marketeer and member of the moderate "gang of three."

"Can we really commit ourselves in the 1983-84 manifesto to withdrawal?" he protested. "Yes!" came a thunderous roar from the hall.

But, despite his brave stand, even Dr. Owen had to bow to the chauvinistic mood of the conference and concede that the issue should be put to a second referendum if Labour was returned to power.

Mr. Peter Shore, the party's foreign affairs spokesman and a leading anti-Marketeer, was having no truck with referendums. Yet, it was noticeable that despite his savage strictures on the Market and his insistence that Britain should decide its own destiny, he carefully refrained from making any specific commitment on leaving the Community.

Winding up for the NEC, Mr. Eric Heffer, the leading Left-winger, was at great pains to insist that a vote for withdrawal would not be a repudiation of international socialism. In a shrewd move he also hinted that a commitment to quit the Market would be a sure vote winner and that if Labour did not do it first, Mrs. Thatcher would make a U-turn and get there ahead of them.

At the end of the debate, delegates scarcely had a chance to raise their hands before a card vote was called for, resulting in an overwhelming victory for the anti-Marketeers.

At least the leadership could console itself with the result of a vote a little earlier when a motion calling for Britain's political and military withdrawal from Northern Ireland, was rejected.

In what must have been the silliest debate of the conference so far, a succession of speakers condemned British "Imperialists" for following a policy of mass repression and torture in Ulster

Majority vote for withdrawal from the EEC

CONFERENCE YESTERDAY committed the party to fighting Britain's next general election largely, perhaps primarily, on the issue of withdrawal from the EEC.

The 5,042,000 to 2,097,000 vote for withdrawal commits the party to giving the issue priority in its election manifesto.

The centre Right pro-Marketeers, having retained control of the manifesto, will no doubt try to use this to claw back some of the substantial ground lost today, but it is generally considered they will have a hard fight ahead.

The debate leading up to the vote for withdrawal was notable for the restraint shown by several key speakers and their evident determination not to polarise the party irrevocably on this issue if at all possible.

Possibly anticipating yesterday's vote, the party's three leading pro-Marketeers — Mrs. Shirley Williams, Mr. Bill Rodgers and Dr. David Owen—had deftly stepped back from their earlier veiled threats to leave the party should they be defeated on this issue.

At a fringe meeting on Monday night, they made clear that their fall back position would be yet another referendum. And Dr. Owen's appeal yesterday "to give the UK people a chance to decide their own destiny" won loud cheers and applause from the body of the hall.

Leading the anti-Market speakers, Mr. Peter Shore, the Opposition spokesman on foreign affairs, all but announced himself a candidate for the party leadership, anxious to make no enemies at this delicate stage. "I'll have no suggestion that those who have taken the opposite view were wrongly motivated," he began. "We want them with us now and in the future."

But, he went on, the 1975 referendum had been an extraordinary move necessitated by the Heath Government's "rape of the British people and of the British Parliament" in taking Britain into the EEC without holding an election or referendum first. With a clear statement of Labour's position in the next election manifesto, no further referendum would be required.

That Britain was incompatible with the rest of the EEC was no longer in dispute, he said. But while clearly supporting the resolution for withdrawal, he carefully avoided spelling out when, or to what degree, Britain should pull out of the EEC.

Britain was now up to its chest in the encroaching EEC waters. "We'll have to swim and fight if we are to restore to the British people their right to determine their own future," he said.

But he stressed that withdrawal would not solve all Britain's problems. "We want no light hearted sympathies, no giddy support," he warned. "You must be prepared for the sacrifices that go with it."

Only two pro-Marketeers were called to oppose the eight anti EEC speakers—Dr. David Owen, the former Foreign Minister, and Mr. Bill Sirs, the general secretary of the steel union ISTC — and neither of them attempted to argue that Britain's EEC membership had been a success.

But, Dr Owen stressed, Britain was now firmly tied to the EEC: "We have got to face reality—it is our dominant trading partner." Seven of Britain's biggest markets were in the EEC, 43 per cent of its exports went to the Community and these equalled 94 per cent of its imports from the Nine.

Reform was needed in the Community, as was agreed in the last Labour election manifesto, but too many in the Party saw reform as a cover for withdrawal. "There are those of us who want genuine reform, who want to work with our socialist partners in Europe for this reform," he said.

He was convinced that Spain would join the EEC, and that this in itself would force through changes in the Common Agricultural Policy. "The CAP won't withstand Spain—there is room for change and it will change," he said.

Should the party find itself incapable of achieving such reforms, it should at least hold another referendum—he would accept the result whatever it was—but to fail to hold it would be unconstitutional.

Reports by Elinor Goodman, John Hunt, Ivor Owen, Margaret van Hattem and Philip Bassett. Photographs by Hugh Routledge.

This argument was taken up by Mr. Sirs who conceded that EEC mebership has proved a bitter disappointment. "We've realised it just hasn't worked out as we would have liked," he said.

"It's not the Commission's fault but we have failed." It was easy, in the light of the steel crisis, the lamb and apple wars, the job losses, to understand the bitterness of the British people. But, he added, "I'd prefer to be in there and fight—than to try from the outside."

The anti-Marketeers were clearly anxious to scotch charges of little-Englandism, accusations that they were turning their backs on fellow Socialists throughout Europe.

"There are," Mr. Eric Heffer insisted, "Socialists and trade unions in a lot more countries than in the Nine. We are not turning our backs on international socialism — we are seeking a new relationship with Europe, one not restricted by the terms of the Treaty of Rome."

And, he argued, attempts to change the EEC from within would fail, as Britain's attempts to persuade its partners to spend less on agriculture and more on other policies had failed in the past.

EEC membership simply meant that Britain, one of the poorest EEC countries, was the paymaster of its richer partners. "Even if our budget rebate is paid in full, we will still be the second largest contributor to the EEC budget and the fundamental problems will remain unsolved," he said.

Several prominent anti-Marketeers who had come with their speeches carefully prepared—notably Mr. John Silkin, the former Agriculture Minister—were not given the opportunity to speak, and it was left to Mr. Clive Jenkins, general secretary of the white collar workers' union ASTMS, to deliver the sort of rumbustious, broad brush attack on the EEC guaranteed to win loud cheers from a Labour conference.

"We're spending our North Sea oil and gas revenues to let Franz Josef Strauss subsidise farmers in Bavaria," he cried passionately, if not quite accurately.

"Can we rejoice in our superb cereal harvest this year? We cannot. We must store them expensively. In future all harvest festivals will be held in hangars in Heathrow.

"Our industries are lacerated, bleeding to death. We cannot use our oil and gas revenues to rebuild them, if we stay in the EEC.

"The Commission is remote, unaccessible and undemocratic. The Council of Ministers legislates in secret. Stop the EEC, we want to get off!"

CONFERENCE FACES: Mr. Clive Jenkins (left), Mr. Eric Heffer, Mr. Anthony Wedgwood Benn, Dr. David Owen and Mr. Peter Shore.

Row over leadership • NEC manifesto bid fails

THE BATTLE over the Labour Party constitution ended in furious scenes at the Blackpool conference last night, in the bitter wrangle over how the party leader is to be elected.

By 3,609,000 votes to 3,511,000 delegates approved the principle of enlarging the franchise for the leadership election and not just confining it to the Parliamentary party as at present.

But, when the two alternative methods of carrying this out were put to the conference, they were both defeated by the block vote of the unions. Thus, although the major change had been accepted in principle, there was no machinery for putting it into effect.

At this impasse angry constituency delegates leapt to their feet shaking their fists at the section of the hall where the trade unionists were seated. A chorus of "traitors" was hurled at the union representatives.

To confuse matters even further, a heated internal wrangle had broken out within the AUEW delegation about how the union vote should be cast.

Members were angry that Mr. Terry Duffy, their moderate leader, was voting against both proposals for extending the franchise to the unions, the parliamentary party and the constituencies. There were noisy scenes, as they stood up to remonstrate with their leaders.

Baroness Jager conference chairman, shouting to restore order told them they were giving a field day for the television cameras.

"We are not at a football match," she warned. "Sit down or leave the hall."

One proposal was that Labour MPs should have the right to cast one-third of the vote for the leadership, one-third should be cast by the constituency parties and one-third by the trade unions. This was rejected by the close vote of 3,322,000 to 3,737,000.

The other option was for 50 per cent of the voting rights to go to the trade unions, 25 per cent to the constituency parties, and 25 per cent to the Parliamentary Labour Party. This was defeated by 3,495,000 to 3-557,000.

In a separate debate earlier, the proposal to give the National Executive Committee of the party the main power to draw up the manifesto, was rejected by 3,508,000 to 3,625,000.

The resolution, which was backed by the NEC, would have allowed it to write the election manifesto after consultation with the Parliamentary Party. The main intention was to prevent proposals from the annual conference being vetoed by the Prime Minister and prevented from getting into the manifesto.

The motion was narrowly defeated, despite a passionate speech in its support from Mr. Anthony Wedgwood Benn, the Left-wing chairman of the party's Home Policy Committee.

He bitterly criticised the use of the veto by the party leader, and came out with a list of points which, he said, had been effectively blocked although approved by the conference.

At this Mr. James Callaghan, the party leader, who was sitting on the platform, could be heard angrily complaining to those around him "Not true, not true."

Pressing for the changes in the manifesto procedure, Mr. Benn told the conference: "We are talking about the lifeblood of democracy. We are not engaged in an arid constitutional wrangle."

He pointed out that 18 of the seats on the 28-member executive were held by the unions. So those who attacked the NEC were attacking the trade union movement.

Under the present system, there was not a single Labour party bankbencher who saw the text of the draft manifesto. The new proposal would give them, and the unions the right to see it.

There were cheers when he said it was all drawn up so late that the country never knew what the Labour programme was until three weeks before an election.

He said that the leader's veto on the contents of the manifesto meant that things were discussed at party conference and the real decisions were taken privately without debate at a later date.

The proposal to abolish the House of Lords was an example of this. This, he said, created mistrust. No constitutional provision could be a substitute for confidence.

"We have to accept this motion," he said. "We must be given the power that goes with responsibility."

No one believed, he maintained, that under the present system the decision taken by conference earlier in the day to withdraw from the Common Market would get into the manifesto. It would be vetoed.

"It would be irresponsible to allow resolutions to be passed and then let power rest with the veto," he declared.

The road to unity in the party was to have a full discussion of policies. Majority decisions had to be accepted as the policy of the party.

"That is the root to populist support," he insisted. "How can the public support the Labour Government if they do not know what we are going to do until the cacophony of the election campaign has begun."

Mr. David Warburton asked conference to reject the resolution on the manifesto. Mr. Warburton, of the General and Municipal Workers, declared: "It would be a complete contradiction of logic to allow a single body within our movement to determine the election manifesto. It is the height of arrogance of the NEC to assume the mantle of ultimate wisdom."

Mr. Alex Lyon, MP for York, told delegates: "In the end, conference must have its way because conference is what the party is about. If we don't have democracy, you don't have Socialism."

During the debate on the leadership, there was intense pressure from constituency parties and some MPs for the widening of the franchise.

Mr. David Vaughan, from Woolwich West, said: "We have to have democracy from the top to the very bottom of the party. There should be accountability. This question wil not go away."

There was a powerful appeal from Mr. Gavin Strang, MP for Edinburgh East, who pointed out that it would, for the first time, give party members in Tory seats a say in who was to be their leader.

"Surely that is democracy. Surely that is participation," he said.

Mr. Strang thought it was inconsistent for members of major trade unions to vote on who was to be their General Secretaries without Labour party members having a similar choice of their leadership.

"There is nothing wild or revolutionary about this. It is a question of ending an anacronism."

For the EEC, Mr. Eric Heffer, MP for Liverpool Walton, said that this was not just another proposal dreamed up by the executive committee.

There had been a feeling growing for a long time in the party in favour of a change. Most of the European Socialists parties already had a much wider franchise than the British Labour Party, he pointed out.

Compulsory re-selection approved

Constituency party activists won the final round in their long running battle to force all sitting Labour MPs to submit themselves for re-selection between general elections.

A NEC proposal making re-selection compulsory — even by constituencies satisfied with the performance of their MPs—was carried by 3,798,000 votes to 3,341,000.

There was uproar when delegates were warned that Mr. Roy Jenkins is waiting to welcome moderate Labour MPs "sacked" by their constituency parties to join him in a new centrist grouping.

The warning was given by Mr. Joe Ashton, Labour MP for Bassetlaw.

He argued that the introduction of acceptability tests for all MPs between general elections would open up new divisions in the party at a time when it was essential to achieve unity.

It was a divisive proposal which Mrs. Thatcher would be glad to vote for, he said.

Mr. Ashton told delegates: "If Roy Jenkins wanted to form a party of 25 sacked MPs now in this Parliament they could be in business within six months."

He forecast that such a grouping would be backed by the media, get all the cash it needed and give advocates of a third party system the biggest boost they had ever received.

At one point delegates were called to order by Baroness Jeger, the conference chairman, as they howled Mr. Ashton down.

They were incensed by his assertion that some Labour MPs threatened with the "sack" would fight on as independents in order to qualify for Parliamentary severance pay.

Mr. Sam McCluskie of the National Union of Seamen who replied to the debate on behalf of the NEC, was loudly cheered when he lashed out at Mr. Jenkins' supporters in the Parliamentary Labour Party.

Those who held such views should get out of the Labour Party now, he insisted.

Mr. Robert Hughes, MP for Aberdeen North, dissociated himself from Mr. Ashton's speech.

He maintained that many Labour MPs favoured compulsory re-selection.

The example of Mr. Reg Prentice, who crossed the floor of the Commons and is now a member of Mrs. Thatcher's Government, was repeatedly cited by delegates who argued for compulsory re-selection

Call for industrial action to fight cuts

FURIOUS MILITANTS clamouring for a "no holds barred" fight against the Government imposed cuts in local authority expenditure slow handclapped Mr. John Golding, the NEC spokesman.

Although he accepted an emergency resolution calling for industrial action to support Labour controlled councils, he did so in the course of a precarious balancing act and fell short of giving an unqualified seal of approval.

Mr. Golding, MP for Ashton under Lyme, was jeered and ridiculed by many delegates when he suggested that intensive canvassing for next May's local elections should form the spearhead of the Labour campaign against the "Heseltine cuts."

His cautious words contrasted sharply with those of Mr. Ted Knight, outspoken leader of the Lambeth Council, whose grandiose spending plans have come in for particular censure from Mr. Heseltine, the Environment Secretary.

He urged the trade unions to join with Lambeth and other Labour authorities on the "Heseltine hit list" in a very clear "no cuts platform."

Mr. Knight argued that it was no good waiting for the next general election—by then there would be no local services left to defend in Lambeth ond other boroughs.

He in sisted that the message from conference to Mr. Heseltine could be—"We have gone so far—we will go no further."

Mr. Roy Hattersley, Labour's Shadow Environment Secretary, questioned whether Mr. Knight was advocating "massive strikes" in support of a political aim.

If so—and this was what Mr. Knight had earlier told a fringe meeting—he believed that many trade unionists would not be prepared to give their support.

Mr. Golding ran into difficulties as soon as it became clear that he was intent on a delicate if not impossible balancing act.

First he assured Mr. Hattersley that the position of the NEC remained "the same as it was."

Then he went on to state: "I agree with every word Ted Knight said."

Then came the slow handclap.

● SOME COUNCIL tenants who buy their homes would be denied the right to resell them at market value, under the terms of a resolution approved by the conference yesterday.

It was carried against the advice of the NEC and despite a warning from Mr. John Golding from the platform that it would provide "an incentive to vote Tory."

AUEW officials run the gauntlet

BRITAIN'S second largest union, the Amalgamated Union of Engineering Workers, yesterday was instrumental in leaving the Labour Party without a method of electing its leader.

The voting of the Right-wing led engineering section of the AUEW, which controls a block vote of some 900,000 at the Party Conference, infuriated Left-wingers in the party and virtually brought the conference in Blackpool to a standstill.

Mr. Terry Duffy, AUEW president, Sir John Boyd, general secretary, and members of the seven strong union executive, all moderates, ran a gauntlet of abuse, taunts and shouts, as they left the hall at the end of the conference.

The jubilation of the Left at its success in winning the vote on the principle of the election of the party leader by an electoral college turned to dismay as the AUEW registered its votes on the make-up of the college.

Conference had two distinct proposals before it—one for a college to be divided equally between the Parliamentary Labour Party, the constituency Labour parties, and the trade unions, and one giving half of the representation to the trade unions, with the other half being divided equally between the Parliamentary and constituency Labour parties.

The AUEW, as mandated by its policy-making national committee, voted against changing the principle of electing the leader, as well as the two other major constitutional changes before conference. But uproar followed, when it was realised that Mr. Duffy and Sir John were casting the AUEW votes against both options for the make-up of the electoral college. Both options were then duly defeated in the voting.

At this, many of the 26-strong AUEW delegation walked out of the hall in protest. Mr. Jock McPherson Quinn, president of the London south district committee of the union and the leading Left-winger on the delegation, said that he had protested to Sir John but the general secretary had told him to go away and mind his own business.

Mr. McPherson Quinn protested strongly that Mr. Duffy and Sir John had no right to cast the votes in that way, and that the decision on how the votes were to be cast should have been taken by a meeting of the full delegation, rather than a hurried meeting of the executive immediately before the votes on the two options.

He said: "This leaves us in utter chaos. We have been made fools of. It brings this union into disrepute."

But Mr. Duffy, leaving the conference amid shouted accusations that he had cast a "wrecking vote," firmly maintained that the executive's action was entirely consistent with the union's policy—as decided by the national committee—of voting for no change in the present system.

The decision to vote against both options for the electoral college had been taken in an executive meeting immediately prior to the vote, he said. There would be no need for a recalled meeting of the full delegation to discuss the issue. He said the union's voting was logical, that the executive was in the right, and that it would not bow down to the "bully boys" who were slandering its members and shouting at them.

The row over the AUEW's vote, which leaves the party with a principle of electing the party leader by a new method, but with no specific method to carry it out, is the second time this week that the AUEW has been involved in controversy over its voting. At the weekend, one delegate was alleged to have made a mistake at a delegation meeting in voting to give support for Left- rather than Right-wing candidates for the elections to the party's national executive committee.

Troops out call refused

DELEGATES yesterday refused to back a hard line policy demanding British withdrawal from Northern Ireland.

A succession of speakers from the floor gave their backing to a motion demanding immediate political and military withdrawal, repeal of the Prevention of Terrorism Act, political status for H-block prisoners, and rejection of bi-partisan policies with the Tories.

But Mr. Brynmor John, Shadow Ulster Secretary, said there were elements in the motion which were "totally unacceptable to the party."

"The demand for political status does not command widespread acceptance," he said.

"It would mean conferring respectability on sectarian killers in both communities for some totally horrifying crimes."

He rejected troop withdrawal which was carried out as "part of a political gamble in which, if it went wrong, thousands of innocent lives would be lost."

Mr. John said that the motion—which was eventually defeated on a show of hands—went further than the proposals put forward by Irish Premier Mr. Charles Haughey.

"There are a million people in Northern Ireland who at the moment do not want a united Ireland," he said.

Mr. Alex Kitson, chairman of the NEC's study group on Northern Ireland, appealed to delegates to give the Executive time to come up with a new policy programme for Ulster.

He said one clear message from the group's work so far was that the Tory Government had been a complete disaster for the Province.

Atkinson rejects 'funds' innuendo

THE "whispered innuendo" that Labour Party funds were being misappropriated was rejected yesterday by Mr. Norman Atkinson, party treasurer.

He defended himself against criticism in Labour Victory, the daily conference pamphlet of the Campaign for Labour Victory, with which "gang of three" members Mrs. Shirley Williams, Dr. David Owen and Mr. William Rodgers have been associated.

Mr. Atkinson, presenting the executives report on finance to delegates at Blackpool and apparently addressing his remarks on the pamphlet to where Mrs. Williams was sitting said: "I am sure she is not responsible for some of the comments given here nor the comments which have been slyly given to the Press."

Amid angry shouting, he said: "I repudiate those accusations that have been slyly whispered to the Press that somehow or other there is money missing."

Individual journalists could back him up that there had been "whispered innuendo" of "not just mismanagement of funds but misappropriation of funds. I repudiate that entirely

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

● INSTRUMENTS

Fast analysis of protein in food

BRITISH COMPANY Newport Instruments can claim a "first" in the development of its intelligent, fast protein analyser P-100 in which the direct percentage by weight of protein in a prepared food sample can be determined in about 20 seconds.

The instrument, essentially for quality control, is being aimed at the animal feed, oil seed, baby food and dairy industries in the first instance, but with the growing emphasis by some governments on the provision of analyses on bottled and packaged foods for human consumption (Germany, Sweden and the U.S. for example), the company expects to sell the instrument into processed food companies as well.

Up to now routine measurements of this sort in the food industries have often been carried out by wet chemistry techniques which are messy, inconvenient and long-winded involving as they do the "stewing" of samples in concentrated sulphuric acid and the subsequent use of various reagents. Although there are other methods involving infra-red light reflection and dye techniques they are, claims Newport, either laborious or expensive.

Instead the company uses a technique which it has developed in this country and throughout the world called nuclear magnetic resonance, a phenomenon which occurs at the basic atomic level of a substance in the presence of a magnetic field.

A highly simplified explanation of NMR is that hydrogen nuclei when subject to a constant magnetic field spin round in a special way, the rotational speed having a corresponding frequently (in a way that a rotating power station generator produces 50 Hz mains electricity).

If an alternating magnetic field of the same frequency is applied at the same time to the sample a resonance effect can occur—a whistled note of the right pitch in an empty room gives the same effect. Thus, a particular nucleus, say hydrogen, can be "tuned in" rather like tuning in a radio station.

However, the Newport instrument uses a further development of the technique called pulsed NMR which allows quantitative measurements to be made. Here, the tuneful equivalent is that of hitting a bell and examining the dying note. The decay is called relaxation time and in fact is dependent on the solids/liquids ratio in a sample.

Preparation of a sample for the P-100 involves grinding the material finely and mixing it with a special liquid which contains magnetic copper ions. Adding a protein to the liquid causes depletion of the ions and alters the relaxation time of the liquid alone.

The Newport instrument, with the aid of a microprocessor, is able to measure the shift in the relaxation time and convert this to a percentage reading for protein content.

This not inconsiderable piece of basic scientific method has been reduced by the Newport engineers to a desk top instrument that can be used easily by a laboratory technician after less than 30 minutes instruction.

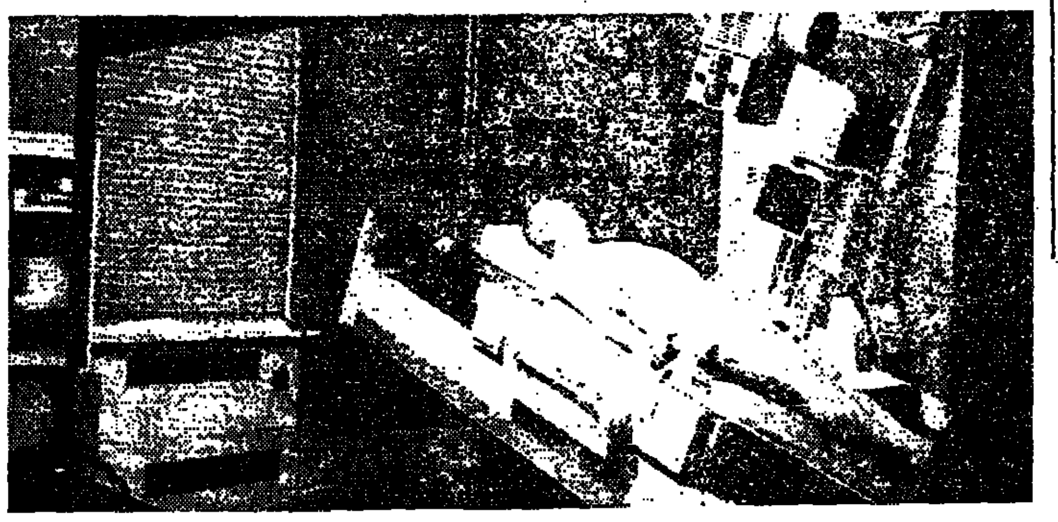
Known weight samples are ground and placed in a fixed quantity of the fluid in 20 ml screw-cap containers. Up to 30 of these can be kept in a heated storage block on the horizontal surface of the instrument, ready for manual transference to the measuring orifice to the right. A fluid-only reference sample is lowered by a lever mechanism to be precisely placed in the instrument's magnetic field, the micro absorbing the data. The "live" sample follows it, the operator keys in the weight of the solids using a numerical keypad on the control panel and within a few seconds the percentage of protein appears on a digital display.

Newport Instruments, Blakelands North, Milton Keynes, MK14 5AW (0908 613691).

GEOFFREY CHARLISH

Clean bill of health for medical X-rays

David Fishlock, Science Editor, discusses a major new study from the National Radiological Protection Board



A Siemens automated X-ray machine going through its paces

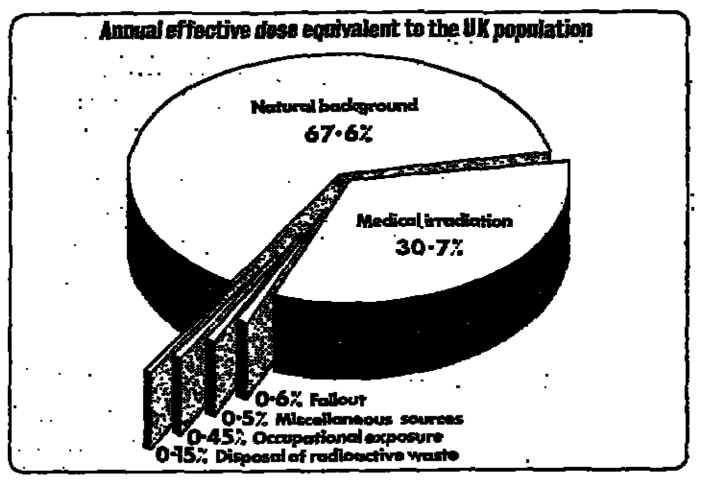
THE INCREASING use of X-rays in diagnosing injury and disease in the last two decades has brought no corresponding increase in genetic damage to the population of Britain. This is the conclusion of the National Radiological Protection Board—public watchdog for all forms of ionising radiation—following a study* involving over 80 NHS hospitals.

Since the last UK study of this kind in 1957, the rate at which X-rays are being used in Britain has increased by 48 per cent. In 1977, 21.3m X-ray examinations were made in NHS hospitals. Altogether that year Britons underwent about 440 X-ray examinations per 1,000 of the population.

Britain's use of X-rays in medical diagnosis is low compared with half-a-dozen other developed countries, some of which use them two or three times as frequently. West Germany's figure for 1974, for example, was 1,658 per 1,000 of the population.

Nevertheless, for Britain medical X-rays — including those used for the treatment of disease — may be responsible for as much as 85 per cent of the genetically significant dose of nuclear radiation to which the population is exposed.

According to Dr. Stuart Rae, an assistant director, if the medical profession could avoid the 10 per cent most damaging doses of X-rays it could cut the genetic damage to the population by an appreciably larger proportion, perhaps 30 per cent. To keep these figures in perspective, about 20,000 live births a year in Britain are considered to be genetically damaged, of which deliberate X-radiation is estimated to account for only one or two, says Dr. Rae.



But any reduction in the number of babies born malformed is obviously a step in the right direction, believes Dr. Rae. For this reason a meeting of radiologists has been called in December to see whether and how the top 10 per cent can be cut.

The NRPB researchers have isolated three reasons why the genetic risk to Britain has not risen with the increasing use of X-rays. One reason is that the increased use is not uniform across the population as a whole but is proportionately higher in older people, which means that genetically it is less significant.

Another is the fall in the use of X-rays for certain problems, notably in obstetrical investigations following the warning issued by Lord Adrian after the 1957 reduction in this highly critical area —where the unborn child as well as the mother may be involved—has been by a factor of three or four, says Dr. Rae. Other technologies such as ultrasonic imaging, which avoid the use of ionising radiation altogether, have become available in the last decade.

The third reason is that the medical profession takes great care to protect children during X-rays, by careful shielding of the gonads—the ovaries in females and testes in males. Ironically, the radiographers are also quite careful to protect older people in spite of the fact that "there's really not much point," comments Dr. Rae. The sector which seems to be at risk however, is young adults, where lead-lined shields should be used much more widely to cover the susceptible organs.

Lord Adrian's warning about the promiscuous use of X-rays also seems to have discouraged some of its applications for the treatment of relatively trivial complaints. The NRPB has begun a more detailed study of how the hospitals are using X-rays and other ionising rays in diagnosis today. They want to assess the increase in risk of a person developing cancer because he has been X-rayed.

Over the next year or so, the board hopes to establish the feasibility of using a measure of the total energy imparted to a patient during an X-ray examination as an index of risk. It will involve somehow measuring the dose of radiation to specific organs such as the thyroid glands or the lungs.

One further area in which the board is becoming increasingly interested is the consequences of using X-rays and other ionising forms of radiation to treat disease. Lord Adrian over two decades ago pointed out that four-fifths of the therapeutic use of X-rays was for non-malignant diseases. The doses for therapeutic purposes are necessarily high because their aim is to kill certain cells. The radiologist tries to ameliorate the drawbacks by focusing as finely as possible upon the spot of trouble. But almost inevitably damaging rays will penetrate into or be reflected into healthy organs and tissues, increasing the risk for the patient of iatrogenic disease arising out of his treatment. "This is an area we must get right," believes Dr. Rae.

*The genetically significant dose from diagnostic radiobiology in Great Britain in 1977, S. C. Darby, G. M. Kendall, Stuart Rae and B. F. Wallm National Radiological Protection Board, NRPB-R 106, pp. 29, HMSO, £3.00.

● SAFETY

Protects from fumes

THOSE old enough to remember Dad's Army at its peak, and the younger readers who toted Mickey Mouse gas masks to school, may look nostalgically on a German-made protective hood which instantly evokes memories of World War II safety drill.

This breathing apparatus is supplied in an oblong box which can be wall-mounted in a hotel bedroom, office, factory, school, or wherever the outbreak of fire is a possibility.

It is well known that at the outset of fire, people are liable to panic, threaten their immediate oxygen supply and, long before flames or heat engulf them, are overtaken with smoke and fumes.

Because the first few minutes of a fire are potentially the most dangerous, the Parat Escape Mask has been designed to give instant protection to the wearer.

There is a faceplate in the protective hood which can be worn by children or adults and can accommodate spectacles, long hair and even beards, says Draeger Safety, Sunnyside Road, Chesham, Bucks (02405 74481).

Its respirator filter offers protection against all fumes that are known to exist in hazardous concentrations, assures the maker, but it is especially designed to afford a reliable barrier against carbon monoxide.

In use, it guarantees a minimum 15 minutes protection and, provided the box is not opened, the maker says the mask remains ready for use for four years and requires no maintenance.

● ENERGY

Saves money for the paper men

PAPER MANUFACTURERS have had to look carefully at their production systems and costs following the worsening over the last five years of the energy crisis.

Promising paper makers significant reduction in steam requirements and the recapture of installation costs within six to 12 months is a steam system offered by Reiss Engineering, Dalston Gardens, Stanmore, Middx. (01-204 7155).

This was installed last July at the Sunland Eker Papierfabrikker mill, Norway, on one machine where, it is reported, steam consumption has been cut back so dramatically that the mill is now using the same amount of steam for both of its machines as was previously expended on just one machine alone.

Based on the savings so far achieved at the Norwegian mill, the company says that the cost of the system could be paid back within six months.

Microfiche of the 4,000

ENGINEERS and designers confused by the mass of European Economic Commission legislations that surrounds their business should welcome a new information service based on microfiche.

Technical Indexes of Bracknell has devised a new selective service called "Eurodoc" designed to keep engineers abreast of the key directives that specifically affect them.

Technical Indexes is a specialist in distributing technical information on microfilm; the new service, however, is based principally on microfiche, cards mounted with 40 or so individual microfilm frames that can be conveniently read using a suitable microfilm reader.

Cost of the new service is difficult to determine but it is unlikely to work out at less than £100 a year including the rent of a microfilm reader at £40 a year. The reader Technical Indexes recommends is manufactured by the 3M company.

EEC technical regulations are designed to ensure that common standards are observed throughout the Community—in other words, products which fail to meet these standards could be excluded from certain Community markets. The new index is divided into sections on: motor vehicles, pressure vessels, fertilisers, measuring instruments, electrical equipment, chemicals and dangerous substances, textiles and agricultural tractors.

The index is updated monthly; it already contains 250 directives and proposals as well as "Euronorms" concerned with the specifications and testing of iron and steel. "Each month," Technical Indexes says, "We will distribute to our subscribers a relevant selection from all the regulations, directives, decisions and proposals published by the EEC, more than 4,000 of which are issued each year." More on 0344 26311.

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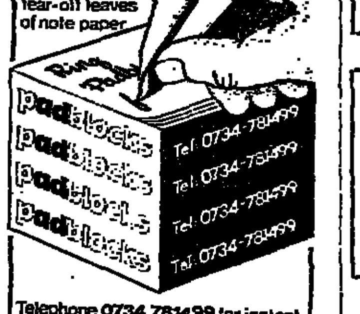


MANAGEMENT COURSES

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Trouble in the car market has produced an advertising bonanza

The car makers: £100m worth of hoop-la

THE GRIM STRUGGLE for sales in the UK car market is heavily underlined by new figures from Media Expenditure Analysis. They show that over the first seven months of 1980, car manufacturers spent a MEAL-based £50.9m on display advertising alone—73 per cent more than in the first seven months of last year and more than £5m up on total advertising display expenditure in this category for the whole of 1979.

MEAL measures only TV and Press. But the car makers are also spending heavily on posters. On overall estimates, total car advertising expenditure this year — including agency commission, production costs and manufacturers' contributions to dealer advertising —could well exceed £100m.

MEAL figures cover only display expenditure, and are calculated at rate card costs (the latest figures for MEAL's top product groups are published in Admap).

Differences between rate card costs and prices actually paid may in some cases be considerable, says Admap. "Nevertheless, no other data exists in this sort of detail to indicate the general pattern of main sources and destinations of advertising expenditure."

On a MEAL basis, car advertisers spent £9m in July alone, more than double their expenditure in July last year.

For agencies that own a car account, the car makers' battle for sales has helped cast a rosy glow over turnover and profits for the current year — particularly where supported by heavy advertising expenditure in other free-spending categories like cigarettes, confectionery, retail, direct response, beer, chain grocery stores and others.

How long will the great car bonanza last? "How long is a piece of string?" asked one agency last night.

There are numerous factors at play, not least the distressed trading situation in the car market, which has not only driven most car makers into the agencies' arms but has produced severe price cutting and a festival of sales promotion—handouts, holidays and hoop-la. Total promotional expenditure in the car market this year, including discounts, could well be in excess of £240m.

But there are other factors at work in terms of the advertising spend. First, importers are spending freely: it costs a ransom to elbow in, even more to sustain impetus and share. "Advertising costs per car are alarmingly high," says one agency specialist. "They must leave hardly anything for profit."

Second, there is a current grouping of major car launches, a phenomenon seen every three to four years.

Third, there is a belief in some quarters (it is rebuffed in others) that advertising-to-sales ratios in the car market have at last reached a level more commensurate both with total size of market, and with the *price* of cars.

Formerly, these ratios were battened down by an unwritten agreement among the manufacturers not to use television advertising because of fears about cost—an agreement rudely muscled aside with the mass arrival of the importers.

At Saatchi and Saatchi Garland-Compton, via which BL will spend approximately £10.5m on advertising this year, chairman Tim Bell warns that the picture is highly distorted.

How long would the bonanza last? "It depends on how current spending bears fruit. At the moment, the market is flooded with cars, but the makers' much higher spending is founded on good, solid marketing thinking. The manufacturers are now marketing their cars in a very positive and direct way."

At Collett Dickenson Pearce, Fiat advertising will be worth "£4m to £5m" this year. It is the agency's third biggest account, representing approximately 7 per cent of billings.

According to CDP's Frank Lowe: "Fiat strikes a serious note of realism on the expenditure front, but has certainly maintained expenditure at an appropriate level. Several years ago the car market was underspending on advertising compared with turnover, a situation helped enormously by the unwritten agreement not to use television advertising.

"Since then, foreign manufacturers have elbowed in, and of course heavy use is being made of television. Car advertising has now reached a level more commensurate with the capital expenditure on cars.

"It will continue to be a high-spending category, but that cannot be attributed solely to the recession. Over and above import penetration, there has been a basic change of attitude on the sales-to-advertising front."

David Abbott, of Abbott Mead Vickers, the man who writes the award-encrusted Volvo ads, fundamentally discounts the roses-in-the-garden hypothesis that advertising-to-sales ratios in the car market are running at justifiable levels. "If anything, the market is over-supported."

Volvo's above-the-line spend this year will be of the order of £1.4m, out of total Abbott Mead billings approaching £15m.

"Volvo is in any case way outside the panic sector. Its advertising has indeed kept pace with inflation, but not much more. It is not overstocked. It has got its pricing policy right, and both volume and share are up this year, but in general, the cost of advertising per car is now alarmingly high. One hears of excessive advertising costs. Dealers' margins are under the greatest pressure."

At Wasey Campbell-Ewald, where the Vauxhall account this year will be worth approximately £7m, account director Mike Flint reckons that total main-media car advertising in 1980 will be worth £80m (£27m in the final four months), and at least £100m, "maybe more," if the figure is grossed up to include dealer advertising support, production costs, and so on.

He expects this level of expenditure to be maintained well in to next year, as does Terry Grimward, MD of Euro-Advertising (part of JWT), where the Audi account is likely to contribute £2.4m to a 1980 billings total of £9.5m. "Audi is developing at such a pace that expenditure is growing almost automatically," he says. Euro has already launched the Audi 200 this year, with the Audi Coupé and Quattro to come in 1981.

The agencies handling the two big autumn launches are Ogilvy Benson and Mather (new Ford Escort) and Leo Burnett (BL Metro).

Ford alone is spending more than £3m this autumn on its Cortina, Fiesta and Escort, for a 1980 total well in excess of £7m, virtually a tenth of OBM's 1980 billings. The Escort campaign ("Simple is Efficient), is costing more than £1m, said to be Ford's most expensive UK launch. According to OBM chairman Peter Warren, the manufacturers "are taking the advertising function very seriously indeed these days."

At Leo Burnett, deputy MD Richard Wheatley is coy about the size of Burnett's BL budget (primarily for the Mini, Maxi, Metro and Allegro) but says that in the past 18 months, the car makers have rediscovered advertising's powers of imagery.

"For the private buyer, car purchase is a highly rational operation. It has to be. But once the buyer is over basic hurdles like mpg and service intervals, he wants an emotional pay-out for his money. Look at the Mini, whose personality is founded on fun and cheekiness. It is 20 years old and still going strong."

Even with a tiny market share of 0.97 per cent over the first two-thirds of 1980, Mazda spent £1.5m on advertising via KMP in the 12 months to August 31. "They're still a long way behind Datsun," says the agency, "but with the launch next spring of the Mazda 323, a rival to the Escort, spending will increase."

And so it goes, in the current rodeo of the car market. Car advertising has travelled a long way since David Ogilvy penned that phrase about the ticking of the Rolls-Royce clock. Which is not to say that Rolls-Royce expenditure is lifting off. MEAL's latest moving-annual-total for the Rolls-Royce account is £85,200—an *established* sum indeed.

DAIRY MILK MOVES

Cadbury—a third change of tack

UNEASY RESTS the head that wears the Cadbury crown. Foote Cone and Belding professes itself cock-a-hoop at having wrested the £2.5m Cadbury's Dairy Milk account from Leo Burnett. "It's the jewel in the crown," says FCB's Bill Keily. "A major coup."

Yet despite its eminence and flag-ship status at Cadbury—current Dairy Milk sales are worth £50m—there are grounds for thinking the brand is jinxed: a Marie Celeste on the agency swell.

This is the third time the brand has changed tack. The account was at Burnett's to start with. It then went to Young & Rubicam. Then back to Burnett's. Now it has sailed again. Indeed, in the first half of the 1970s, in a bid to maintain margins, Cadbury actually trimmed the brand's support, leaving itself vulnerable to a flanking move by Rowntree.

Dominic Cadbury, now managing director of Cadbury's confectionery division (he formerly ran the Cadbury operation in North America, supervising its integration with that of Peter Paul), is perfectly frank about the Dairy Milk *affaire*.

"We have not been satisfied with the job the advertising has done for several years. The brand has lost share, and when we analysed its shortcomings, we found that while the advertising had re-inforced the brand's traditional characteristics, it had also become a bit mumsy and boring, not sufficiently contemporary."

He says the weaknesses have been identified, and that the confectionery market, hit much more by VAT than by the recession is in any case chirping up.

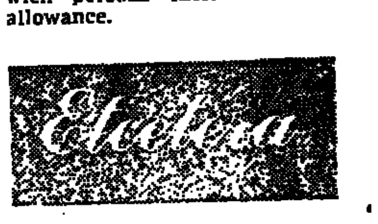
Burnett's still has a weight of other Cadbury business, but FCB is proud of its coup: "The brand is desperately seeking a simple message, so we've analysed everything on our computer"

The £8 sandwich

● Graham Arnold, a "publicity expert" from Watton, is launched upon a crusade to bring back the sandwich-man (or woman). In short, yesterday he started an agency providing sandwich-persons on short- or long-term contracts throughout East Anglia — beginning in Wotton.

"The sandwich-man, or woman, carrying an advertising board front and rear, could be a very cost-effective means of advertising," he says. "Every small town could support at least one sandwich-man advertising local firms for a day, a week, or a month" — providing employment to the sandwich carriers and to the team of signwriters required to prepare the messages. "A static advertisement does not create half as much employment," he says.

There is an almost manic proliferation of advertising media at present, but this could get off the ground, particularly as the perks for prospective sandwich persons include a shoe allowance.



Hire charge for a 25 in x 35 in sandwich sign, front and rear, is £8 per six-hour day, plus £5 for signwriting (the carriers will cover ten miles a day). There is already a forward booking from a man who wants to announce his engagement, and from another announcing his unemployment. There are special rates for long-term hire.

The five loaves

● Bread, that most difficult of markets, has gained a new entrant: a branded range of sliced brown breads from British Bakeries, part of RHM.

The agency involved—the launch spend is worth £1.5m—is J. Walter Thompson, whose own new business record so far this year (+£14m) has been full of yeasty extract.

For those for whom the word "bread" tolls, the agency's Stephen King has words of reassurance.

"Brown bread isn't just for elderly traditionalists or intellectuals in sandals," he says. "Nowadays it's a normal part of the diet for all types of family."

He also has some figures. Over the last decade, brown bread consumption has risen by 69 per cent, almost half the increase coming in the last two years. Sales are worth £197m, or 18 per cent of the bread total. In fact, more than half the households in the country now eat brown bread.

The range is being launched under the name Windmill Bakery, and includes four varieties and five loaves, offering scope for all sorts of intellectual JWT jokes about the miracle of the four varieties.

Cigarette spend 74% up

APART FROM cars (see story above), other UK advertising categories in which competition has been fierce and expenditure high include cigarettes, where MEAL-type expenditure over the first seven months was 74 per cent up at £20.6m, and chocolate confectionery (42 per cent higher at £21.5m).

The biggest MEAL category is department and retail stores, where display expenditure during the first seven months of 1980 was 20 per cent higher at £58.5m. Cars are next, followed by direct response mail order (35 per cent higher at £29.5m).

The remaining categories in the MEAL Top Ten, together with expenditure totals from January to July, are as follows:

Beers, £21.5m (+37 per cent). Government departments and services recruitment, £21.5m (+22 per cent), chain grocery and Co-op, £20.5m (+41 per cent), building societies, £11.4m (+33 per cent), and records, cartridges and cassettes, £11.3m (+41 per cent).

A separate MEAL table shows Trident Television to have recorded the highest gross display advertising total (again at rate-card prices) for the year to date, with a seven-month total of £65m, 52 per cent up on the same months last year.

According to MEAL, Trident is followed by ATV, £61.9m (+51 per cent), Thames TV, £58.3m (+ 20 per cent), and Granada TV, £57.6m (+44 per cent).

Top-rated Press titles in the MEAL table (first seven months, gross display expenditure only) are shown as the Daily Mirror, £23.5m (+28 per cent) and The Sun, £22.8m (+40 per cent).

P&G is still on top

PROCTER AND GAMBLE remains the biggest U.S. national advertiser, with total expenditure last year of $615m.

All told, the 100 largest U.S. national advertisers raised advertising and promotional expenditure to $11.7bn in 1979, reports Advertising Age—a 13.6 per cent increase on the $10.3bn spent in 1978.

The figures include "measured media" expenditures for national (but not local) advertising, plus "unmeasured media" expenditures including point of purchase, direct mail, premiums and other forms of national advertising and sales promotion. There is no remotely comparable survey in the UK.

"Increasingly tough economic times hit retailers and domestic car makers, causing them to trim ad expenditures or reduce the rate of increase," says the magazine.

General Foods was the second heaviest spender after P&G, with a total of $393m., followed by Sears Roebuck, $379m, General Motors, $323m, Philip Morris, $291m, K mart, $287m, and R. J. Reynolds, $258m.

If local advertising were included in the totals, Sears, which cut its national advertising and sales promotion 9 per cent last year, would be in top spot with a total of $709m, although P&G is closing the gap.

Unilever U.S. was ranked 23rd biggest advertiser, with $160m, BAT Industries 41st, with $116m, and Beecham Group 82nd, with $47m.

A fifth foreign car maker, Mazda, joined Volkswagen, Nissan, Toyota and Honda in the Top 100 advertisers.

Local advertising: clouds in the crystal ball

BY WINSTON FLETCHER

ONE OF THE less awesome manifestations of our current economic woes appears to be an exacerbation of the ever-smouldering antipathy between the regional Press and the London-based advertising and public relations agencies. That at least was the message of a recent Institute of Public Relations meeting entitled, somewhat patronisingly, Down to the grass roots—A look at the regional Press.

Why is the regional Press generally so defensive, so resentful? After all, as the Regional Newspaper Advertising Bureau's Roger Holland forcefully reminded his listeners, local journals are far and away the largest advertising medium in the land.

Last year their £593m take represented 28 per cent of the total, and was significantly higher than that of ITV, advertising's most powerful medium.

Of course, the increase was partly inflationary and partly due to the 1979 ITV strike. But more fundamentally, it was caused by the inexorable long-term growth of retail advertising.

While local newspapers' advertising revenues have grown significantly, their managements have installed modern photocomposition systems—well ahead of the print processes over which Fleet Street's management and unions are still locked in argument.

Why, then, are local media not boasting with the braggadocio that their success appears to merit? Why did Ron Hunt, the Northamptonshire Evening Telegraph's editor and Roger Holland's platform partner at the meeting, feel it necessary to harangue his listners for failing to stray far from Fleet Street's El Vino's, and for consistently producing publicity material unsuitable to the regional media's needs?

Part of the answer is perhaps to be found in the recent and depressing Liverpool Daily Post and Echo half-yearly results. With unemployment in the North and Midlands far higher than in London, and with retailers' profits plummeting, the immediate future almost certainly presages particularly bad news for regional newspapers, particularly when the retailers' troubles are superimposed upon the collapse of classified advertising.

This was reflected in Mr. Hunt's castigation of the lavishly glossy brochures and invitations to champagne breakfasts received by local newspaper staff.

Underlying his criticisms, indeed underlying the entire session, lay the uneasy suspicion that if times are going to get hard for the media, then regional newspapers may suffer more than most.

Despite this, however, they will doubtless batten the hatches, produce thinner issues and, protected by what are often monopoly operations, weather the storm.

Winston Fletcher is managing director of Fletcher Shelton Delaney.

This advertisement is featured on page 599013 of Prestel

Financial Controller
(director designate)

E. Sussex **£12,000 plus**

A profitable, and rapidly developing, company engaged in the field of advanced technology is to appoint a qualified accountant to control its financial and commercial activities.

This is an important new appointment and offers opportunities to contribute on a broad front to the company's affairs. The right person will be expected to achieve directorship within 12 months.

The successful candidate, probably aged 30-36, will have had appropriate experience in high technology industries, and will have demonstrated a practical approach to business problems.

Remuneration is negotiable, and the package includes a car and other normal benefits and relocation expenses, if appropriate, to the South Coast.

For an application form telephone 01-236 3561 (24 hour service) or write to E. M. Nell, Executive Selection Division, quoting reference 1597/L.

Peat, Marwick, Mitchell & Co.

Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.

Merchant Bank—Australia
Senior Corporate Finance Adviser

Schroder Darling, one of the largest merchant banks in Australia and associated with J Henry Schroder Wagg in London, requires an executive in *Melbourne* to be responsible for:

* general corporate finance advice
* underwriting equity and debt issues
* advising on mergers, acquisitions and defence of take-overs
* advising on project finance including fund raising

The successful candidate will currently be a Senior Manager/Assistant Director in the corporate finance division of a leading merchant bank, with a proven record in seeking out new business opportunities. He or she will probably be in their early thirties, a graduate with professional qualifications, and with a firm commitment to permanent residence in Australia.

The position offers rapid promotion potential and the initial salary will be negotiated from $A40,000 including car allowance, plus assistance with re-location expenses.

Telephone or write for further details and for a personal history form, quoting reference 1301, to

bhf

Anne Knell, Binder Hamlyn Fry & Co,
Management Consultants,
227/228 Strand,
London WC2R 1BZ.
Telephone: 01-353 5171.

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London based, from £20,000

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For a privately owned international group with manufacturing, commercial and maritime interests in Europe, the Americas and the Far East.

As the most senior financial executive in the group but without corporate financial staff you will advise the owning partner on financial planning and control of the group's operations. Extensive travelling is involved.

You should be strong in investment appraisal and financial control, and experienced in dealing with principals in a European environment.

The package is entirely flexible and could include profit sharing and equity participation.

Résumés including a daytime telephone number to E H Simpson, Executive Selection Division, Ref. S674.

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Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
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This is a unique groundfloor opportunity for a man or woman who knows the Unit Linked Market and can also liaise constructively within an existing branch sales structure.

We expect earnings to be in excess of £15,000 p.a. with a guarantee at least in the first year. The appropriate fringe benefits, including car, will be provided.

Reply enclosing curriculum vitae to:

Brian Ridsdale or John Davies
Scottish Amicable, Craigforth, Stirling FK9 4UE
or phone either of them on 0786 3141

SCOTTISH AMICABLE

Economist

The Economic Adviser's Department at the Headquarters of RTZ in London advises the Directors and group companies on worldwide political and economic developments, world commodity markets and international activities in these and related areas.

The Department's work includes studies of the markets for a number of commodities, their structure and present tendencies, together with forecasts of prices and longer term developments. Econometric models and other research methods are employed and production costs analysed. The results of this work are fed into the Group's decision-making processes in many different ways.

The work is undertaken by a small professional group in London and we wish to appoint another member to this group whose prime responsibilities will be for aluminium and coal, although he or she will become involved in many other of the group's interests.

Candidates should have several years' experience of market or economic research, some of which should have been gained in an industrial company. Preference will be given to those with a technical/engineering background.

Salary is attractive and a good range of benefits includes membership of the RTZ pension fund and real promotion prospects.

RTZ

Please write giving details of career to date or telephone for an application form to Mr D W Westcott, Group Personnel Services Department, Rio Tinto-Zinc Corporation Limited, 6 St James's Square, London SW1Y 4LD. Tel: 01-930 2399.

Senior Investment Analyst

A major Nationalised Industry Pension Fund is seeking an Analyst with professional qualifications or a degree and in his/her late twenties or early thirties.

A minimum of five years UK equity experience is required, which will have been gained in an established institution or broking firm. The chosen candidate will join a small team at senior level, directly managing equity funds of £400m. Success in this post will require high levels of energy, integrity and intellect, as well as an aptitude for independent thought and a resolute personality.

Although the principal task is to aid the construction of the UK Portfolio, a wider experience will enable the candidate to make a fuller contribution to the Fund's overall strategy.

Remuneration together with fringe benefits will be competitive and dependant upon experience.

You are invited to write with full career details to David Page, Foster Turner & Benson Ltd., Chancery House, Chancery Lane, London WC2A 1QU.

Foster Turner & Benson
Recruitment Advertising

Management Accountant

West London **£9,000 plus car**

Our client, a leading company in the electronics field, wishes to recruit a Management Accountant to supervise a small team who will be responsible for the preparation of financial plans and management information.

The successful candidate will be a qualified accountant aged 26 to 30 with a minimum of two years industrial experience.

Please write quoting ref: FT/347 enclosing a complete C.V. including home telephone number and listing any companies to which you do not wish your application forwarded to: Peter Barnes,
Riley Advertising (Southern) Ltd., Old Court House,
Old Court Place, Kensington, London W8 4PD.

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Confidential Reply Service
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Financial Staff

The Electricity Supply Commission (Escom) presently supplies some 90% of South Africa's electricity needs, and will be doubling its present capacity before 1990. This will include the construction of six new power stations, plus the completion of the Koeberg nuclear power station in the Cape. This expansion programme will obviously involve increasing the commission's staff complement.

In an expansion of this extent, it becomes apparent that a high level of financial expertise is required.

Escom requires persons with extensive related experience in the following fields as the positions to be filled are senior posts:

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ESCOM
The Force behind the Power

Opportunity in Personal Financial Planning

The Trustee Department wishes to recruit, as an addition to its team, a specialist in the expanding Overseas Section which operates in conjunction with the Group's subsidiaries abroad.

The individual appointed will preferably have had several years experience, primarily relating to the planning, setting up and operation of Offshore Settlements and Companies. Previous involvement with U.K. Trust and Estate Planning would be a considerable advantage.

This is a senior appointment with good prospects and will carry an attractive salary. Other employee benefits are house mortgage assistance, a subsidised restaurant, non-contributory pension scheme and free life assurance.

Please write, giving details of experience and career to date, to:-

The Assistant Director, Personnel, Kleinwort, Benson Limited,
20 Fenchurch Street, London, EC3P 3DB.

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for a leading British Public Company trading throughout the world

c. £10,000

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Being diverse, the business depends heavily on astute, highly skilled management and good communications for its financial success, and the need has arisen to recruit an ACA or ACCA for the Head Office in the City.

The successful applicant will be intimately concerned with all aspects of accounting and reporting, including the consolidation of group accounts, and will be expected to develop close links with subsidiaries around the world to promote the achievement of even greater profits in the future.

The position thus offers significant international involvement (including some travel) and the opportunity to develop commercial accounting skills to the full.

Please send a detailed c.v., including home telephone number, in strict confidence to Peter Wilson, F.C.A., at Management Appointments Limited (Recruitment Consultants), Albemarle House, 1 Albemarle Street, London W.1. Tel: 01-499 4879.

Management Appointments Limited

ACCOUNTING MANAGER
GENEVA

A leading engineering consulting group, operating on a world-wide basis, seeks an individual to assume control of the group's accounting and financial reporting function.

THE POSITION

Reporting directly to the Managing Director, the Accounting Manager will control a small team responsible for the centralised accounting of the group's operations, and its various engineering divisions.

THE CANDIDATE

- Qualified Accountant
- Experience of cost/works/project accounting in an industrial environment
- Familiarity with computerised accounting systems
- Ideal age 35/40, fluent in French and English
- Swiss or a Swiss Permit holder

This is an excellent opportunity to join an expanding group in a key position offering excellent scope for personal development. Please send your curriculum vitae in confidence to:

JOHN FEARN
MANAGEMENT AND EXECUTIVE SELECTION
C.P. 255, 1009 PULLY, SWITZERLAND
TEL: (021) 29 43 37

Internal Auditor

Stockbrokers over £15,000

Our client, a leading firm of London Stockbrokers is seeking to recruit an Internal Auditor.

The Internal Auditor will report directly to the Partners and will be responsible for establishing and developing this new section of the firm. The section will be involved in testing all accounting and recording systems to ensure security of the firm's resources, making recommendations for improvements in the controls and efficiency of operating procedures within the firm, computer audit controls and security reviews.

Applicants, aged under 53, should hold a professional qualification and have several years experience of either internal or external Auditing; knowledge of Stock Exchange procedures would be an advantage. A strong, tactful personality is essential together with the ability to communicate with staff at all levels.

Benefits will include a basic salary of £11,000 p.a. plus an annual bonus and profit scheme; additional benefits include BUPA and a contributory pension scheme.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to R. I. Beard, Personnel Services Division of:-

Spicer and Pegler Management Consultants,
St. Mary Axe House, 56-60 St. Mary Axe,
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£25,000+

A City based *financial* company wishes to appoint an experienced financial negotiator for a specific task. Considerable overseas travel is involved, so base location is flexible.

The new man or woman needs to have presence, determination and realistic financial awareness. The task is both difficult and challenging calling for negotiating at a high level. Detailed technical knowledge is not required as the essentials can be readily learned. However, those with overseas experience in banking, commodities, factoring or insurance may have an advantage. Languages and a professional discipline would be helpful. Age range 35-62.

The remuneration, made up of a high basic salary and a performance related bonus could exceed £25,000 in the first year earned largely overseas. Younger candidates on successful completion would be assured of other employment *with the company, while older candidates* would be expected to complete the assignment within two to three years.

Please telephone or write in confidence to Tim Gartside for an application form quoting client reference 2601.

Roland Orr
Management Consultants
35 Piccadilly, London W1V 9PB Telephone 01-734 7282
Telex 262236/299914

Director Project Finance

Merchant Banking

Bank of America's Merchant Banking Group is expanding its integrated project finance organisation with units in London, San Francisco, Hong Kong and Caracas, and invites applications for the position of Director of Project Finance in London. Major responsibilities will include management of the London unit, new business development, and the provision of comprehensive project advisory and financing services, including capital structuring and funds sourcing utilising the resources of Bank of America's world-wide organisation.

Qualified candidates will have 7-10 years' business experience including a successful track record in developing and marketing financing packages for capital intensive projects, ideally supplemented by an MBA and/or a background in the natural resources industries.

Prospects for career development are excellent, both within the Merchant Banking Group and in other areas of the Bank's international operations. The starting salary will reflect the importance of this key appointment, and fringe benefits are in line with best banking practice.

Write, in strict confidence, with full personal, career and salary details to: The Managing Director, Bank of America International Ltd., St. Helen's 1 Undershaft, London EC3A 8HN.

BANK OF AMERICA INTERNATIONAL LTD

ACQUISITIONS / PROJECT ACCOUNTANT

S.E. London **£10,000-£12,000+Car**

A successful and expanding private group of companies with a turnover approaching £40 million, our client is actively seeking further growth and diversification through a policy of acquisition into various unrelated business areas.

Reporting to the Group Financial Director, the appointee will be responsible for undertaking investigations and preparing recommendations covering a variety of potential investment and acquisition situations. Additionally he/she will be involved in adhoc accounting development projects within new or existing subsidiary companies of the Group.

Candidates should be qualified accountants in their mid to late 20's with a background in either public practice or commerce/industry. Self-motivation, commitment and a practical approach are qualities of prime importance in this role. Career prospects within the Group are excellent.

For more detailed information and an application form telephone or write to Anthony J. Forsyth B.Sc., 410 Strand, London WC2R 0NS. Tel: 01-836 9501, quoting ref. 3017.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
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THE UNIVERSITY OF MANCHESTER
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Research Fellowship in Management Accounting and Control in the Manchester Business School

Applications are invited for the above post from suitably qualified candidates. Salary range: £8,083-£10,484 p.a. Further particulars (and *application forms returnable by* October 27, 1980) from the Registrar, The University, Oxford Road, Manchester M13 9PL.

CONTROLLER

Management Accounting

Construction Industry

Our client is the leader in the sector which specialises in underground mining construction. The company is Yorkshire based and has a growing turnover, now over £20 million.

Growth means change. In accounting terms this means the setting up of a new department to immediately strengthen and reorganize the control and costing systems.

We need a Senior Management Accountant from the construction industry who can work in parallel with the Financial Accountant to effect the changes that are needed. The successful candidate will be qualified, a self starter, practical, ambitious and hardworking, aged probably 25-35 and able to work directly with top management. Experience is also essential in computerisation of administrative and management accounting procedures.

Starting salary will be negotiable at around £11,000 plus car and pension.

Letters of application accompanied by CV, quoting reference S101/FT will be forwarded unopened to the management consultants advising on this appointment.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

Business Analyst

The British National Oil Corporation's Financial and Investment Planning Department, based in Glasgow, has a requirement for an additional Business Analyst.

Working as a member of an inter-disciplinary team on the technical and economic assessment of specific project proposals, you will contribute to the appraisal of new investments by the Corporation. Your particular responsibility will be to determine the commercial significance of such proposals against oil industry norms and the economic background in which the Corporation operates. There will also be opportunities to participate in economic forecasting and in the design of economic and financial modelling systems.

You should hold an honours degree and relevant post graduate qualifications will be advantageous. Several years experience in the use of financial appraisal techniques including the use and understanding of discounted cash flow analysis is essential. You must also have the ability to grasp the essence of complex problems and communicate effectively their solutions to management both orally and in written presentations.

An excellent remuneration package is offered, including pension and free life assurance schemes. Where appropriate, generous assistance will be given with relocation.

If you are interested in this opportunity, please contact, quoting Ref KWM/FT to:

The Senior Personnel Officer
The British National Oil Corporation
150 St. Vincent Street
Glasgow G2 5LJ
Telephone: 041-226 5555

BNOC

The British National Oil Corporation

Head of Legal Department

For a very large UK Company (part of a British-based multinational) which manufactures in the UK and Europe a wide range of industrial products. UK sales are about £450 million per annum.

The Legal Department, which is located at the Company's Headquarters in West London, consists of several qualified Solicitors/Barristers with support staff and provides a comprehensive legal service to Operating Units and Divisions. Counsel are briefed as and when appropriate and occasional liaison with outside solicitors is required. The job-holder must be ready to travel within the UK and perhaps abroad.

The requirement is for a solicitor, between 35 and 45 years of age with a good degree. The successful applicant, male or female, will probably currently be the number two in the Legal Department of a large Company, or a partner in a commercially-oriented solicitors practice. Importantly the successful applicant must be able to relate to all levels of management and willing to participate actively in the commercial environment.

Salary around £18,000 p.a. A car will be provided.

For further details and an application form please write, quoting ref BMH/8046, to Position Number Supervisor, Austin Knight Limited, London W1A 1DS. Applications are forwarded to the client concerned, therefore any companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

Austin Knight Advertising
AK LONDON

Portfolio Administration

VACANCIES IN CITY MERCHANT BANK

Due to expansion, Robert Fleming Investment Management Limited, a leading Investment House, has vacancies in its Portfolio Management Department for administrative account supervisors to assist in the day-to-day management of clients' portfolios. Applicants aged 19 to 26, should have Stock Exchange or Banking experience.

Attractive salaries with worthwhile fringe benefits are offered.

Apply: W.N. Smith, Robert Fleming & Co. Limited, 8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

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In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results.

After evaluating your full potential we direct you through every stage of the 'job search', furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

Tax Accountant

c £12000 *Victoria SW1*

An American corporation with a substantial interest in two major producing North Sea oil fields requires a tax accountant to handle all aspects of its United Kingdom tax affairs relating to its North Sea activities. This is a new appointment.

The tax accountant will report to the finance controller. His/her duties will include:-

- preparation of corporation tax and PRT returns
- computation of *tax provisions for inclusion* in the company's accounts
- liaison with outside advisors

A chartered accountant practised in the preparation of corporate tax returns is required. The successful candidate will undergo specialised tax training at the corporations head office in Houston prior to taking up employment in the United Kingdom.

Location Victoria, London SW1. Salary negotiable around £12,000.

Please write in confidence for a job description and an application form to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY quoting MCS/3853.

Price Waterhouse Associates

COUNTY BANK

Corporate Finance

Our Corporate Advisory Division continues to expand and we are seeking two additional executives with the potential to make a significant contribution to our business.

One will probably be a qualified accountant or lawyer working with a City firm and be aged between 24 and 30. The other will have a similar professional background and might have had direct experience in Corporate Finance with a merchant bank.

Successful applicants will be offered an attractive salary and benefits package coupled with excellent prospects.

Applications, with a concise curriculum vitae, should be sent in strictest confidence to:

J.W. Matthews, Director,
County Bank Limited,
11 Old Broad Street, London EC2N 1BB

A member of the National Westminster Bank Group

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

BUSINESS DEVELOPMENT
Commercial Lending, UK & Ireland Negotiable £16-20,000

On behalf of a highly-reputed international bank we seek an experienced individual to manage the business development of commercial lending services in the UK and Ireland.

Relevant candidates will probably be working currently at Manager or Assistant Vice-President level. An American banking background would be of interest, although this is not essential. Preferred age range is 30-40.

CREDIT ANALYST (fluent German) Negotiable c. £9,000±

Our client, a prominent internationally expanding German bank, wishes to appoint a Credit Analyst as part of its current development plan. Prime responsibility will be to review new commitments, both country and commercial risk, and to prepare submissions to the Board for new participations, as well as reviewing the existing loan portfolio on a regular basis.

The ideal candidate will be fluent in both the German and English languages preferably with German as the mother tongue, although this is not essential. He/she will also have a minimum of two years experience of risk appraisal.

INVESTMENT ASSOCIATE c. £9,000

Our client, a young and expanding investment bank backed by major international and Middle Eastern banks, manages substantial funds invested in an exceptionally broad range of investment media.

The appointment offered will lead to direct responsibility for a large multicurrency bond and money market portfolio, within a team of innovative and internationally oriented investment advisers.

Candidates, preferably aged under 30, should be mathematically minded and show a high degree of personal initiative. Some financial experience would be highly desirable, although the position could be filled by a recent graduate in a relevant discipline.

In the first instance please telephone, or write enclosing a detailed Curriculum Vitae to, Ken Anderson (Director)

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

ap Senior Appointments

GROUP ACCOUNTANT

North London **£10,000 neg.**

Our clients are leaders in the field of photo products and rapidly diversifying into other related fields.

They offer unusual and rewarding career prospects to a young qualified accountant preferably with experience gained in industry. Reporting at Board level and responsible initially for the Financial Services Department. Duties will include management accounts, budgets, forecasting, monitoring cash flow and ad hoc studies. Ref. B1653.

Contact Mark Lockett or Chris Dennington on 01-588 5105

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB - 01-588 5105

TIRED OF TRAVELLING

Member firm of stockbrokers require partner's assistant at their Southampton office. Previous stock exchange experience essential. Good terms and opportunities for advancement offered to right applicant.

Write to:

Senior Partner, A. H. COBBOLD & CO.,
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ALPS

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A key position — scope to play a major role in the expansion of the financial accounting operation

ASSISTANT GROUP ACCOUNTANT

ALPS

CITY £12,000—£16,000 + CAR

ROTHSCHILD INVESTMENT TRUST

Applications are invited for this new position from qualified accountants (CA, ACA, ACCA or ACMA) aged 28-35, who have acquired either three years' post-qualification experience in professional accounting or in a financial services environment. Part qualified accountants with particularly closely related experience will be considered. Responsibilities will cover the co-ordination of the Group's accounting function, the highlighting of variances and putting forward recommendations and the further improvement of financial accounting control systems. A strong, tactful manner plus the capacity to work accurately under pressure are important. Initial remuneration negotiable £12,000-£16,000 plus car, non-contributory pension, free life assurance, permanent sickness insurance, free family BUPA, season ticket loan facility, assistance with removal expenses if necessary. Applications in strict confidence, under reference AGA 024/FT, to the Managing Director:

Open to a prime mover—scope to build up, as the Head of Finance within 3-5 years, in an organisation poised to grow through acquisition.

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ALPS

LONDON S.W.1 £12,000 - £15,000

MAJOR INTERNATIONAL ENERGY COMPANY—ASSETS IN EXCESS OF $1 BILLION

This vacancy calls for chartered accountants aged 27-32 who have acquired at least 3 years' post-qualification experience and a good knowledge of modern accounting systems. The successful candidate will head up the accounting and financial function of this newly-established London office, and will report directly to California. Responsibilities will cover also cash flow management, production of monthly management figures to tight deadlines and setting up the accounting systems. Very occasional travel to the U.S. will be necessary. The ability to build an operation from scratch, and a strong commercial flair are important. Initial salary negotiable £12,000-£15,000 + pension and free life assurance. Applications in strict confidence under Reference FM025/FT, to the Managing Director:

ACCOUNTANCY AND LEGAL PROFESSIONS SELECTION LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH
TELEPHONE: 01-588 3588 OR 01-588 3576 - TELEX: 887374

Financial Controller

Hertfordshire **c. £10,000 p.a.+Car**

Frigoscandia are Europe's market leaders in industrial freezers, public cold storage and refrigerated transport and distribution. The Company has an excellent growth record made possible through strong financial controls and planning techniques.

Based at our UK Head Office in Hoddesdon, you will report to the Finance and Administration Manager and will be responsible for servicing the operational and financial accounting requirements of our UK companies. Your duties will include planning the requirement and deployment of finances, preparation of management and annual accounts (including consolidation), analysing financial statements, co-ordination of budgets and forecasts and financial appraisal of capital expenditure projects.

Candidates, male or female, must possess a minimum of five years' practical experience in accountancy and have an appreciation of computerised accounting systems. Ideally, you will be under 35, a good communicator, and be able to demonstrate a successful career in the management of people, preferably in a similar environment.

Conditions of service are excellent and include a non-contributory pension, life assurance and BUPA.

AGA FRIGOSCANDIA

For an application form and further information about this position, please contact: Peter Roberts, Personnel Manager, Frigoscandia Ltd., Scania House, Amwell Street, Hoddesdon, Herts. Telephone: Hoddesdon 45511.

LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY

FINANCIAL ACCOUNTING

Applications are invited for the post of LECTURER in Financial Accounting in the Department of Management Studies. Candidates, who should be graduates with a professional accounting qualification, should have a specialised interest in financial accounting.

Salary within the scale £5505-£11676 (under review). Postcard requests for application form and further particulars to Paul Johnson, Establishment Officer, ref. 80/38 MS. Candidates may also telephone Mr. J. Finnie for informal discussion on L'boro' (0509) 63171, ext. 451.

Loughborough *Leicestershire*

THE UNIVERSITY OF MANCHESTER
Manchester Business School
RESEARCH FELLOWSHIPS (2)

Applications are invited from suitably qualified persons for two posts of Research Fellow in the Manchester Business School in the areas of accounting and finance. Salary range £8,083-£10,484 p.a. Further particulars (and application forms returnable by October 27th, 1980) from the Registrar, The University, Manchester M13 9PL.

UNIVERSITY OF READING
PROFESSORSHIP OF LAND MANAGEMENT

Applications are invited for the Professorship of Land Management (within the Department of Land Management and Development) which will become vacant on the retirement, on 30 September 1981, of Professor C. W. N. Miles, CBE.

Candidates should have qualifications and experience in some aspect of land management and development in the widest sense (taken to include management, development, economics and investment, in relation to property.

The appointment will be made from a date to be arranged with the successful candidate.

Further information may be obtained from the Registrar (Room 214, Whiteknights House), The University, Whiteknights, Reading RG6 2AH, by whom applications should be received not later than 15 November 1980.

Finance Director

(Designate)

Manufacturing • c.£13,500+car • Midlands

Our client, a division of a well known public company, is seeking to appoint an experienced Financial Executive with a strong, dynamic personality coupled with a sound commercial acumen.

Aged 30—50, male or female, you must be a qualified accountant (ACA, ACCA or ACMA) with several years experience in industry, preferably biased towards a labour intensive batch production environment. More specifically, your range of expertise gained to date will include financial and management accounting, financial planning and cash forecasting, the use of computerised systems and particularly standard costing and budgetary control.

You must be a self-starter with a successful track record in the implementation and development of accounting and control procedures. The total remuneration package includes a profit related bonus, car and assistance with relocation expenses where appropriate.

Ref: B9702/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

6 Highfield Road, Edgbaston, Birmingham B15 3DJ Telephone: 021-454-5791 Telex: 337239

PA

A member of PA International

Senior Corporate Auditor

PARIS Based c.F.Fr.150,000+benefits

This challenging position has arisen due to promotion within a two billion dollar U.S. multi-national group.

Responsibility is to the Audit Manager for operational audits of marketing, personnel, production control, tax and tax planning; systems audits using in-house devised audit packages; and limited review audits. Approximately 30% of the year will be Paris based with a further 40% in Spain and Portugal with the remainder split between South Africa, Singapore, Australia and New Zealand.

Promotion to controllership position is envisaged in 2 years.

Preferably an ACA aged 27/29 with sound experience gained either within a top professional practice or corporate audit function. Self motivation, social awareness and the ability to succeed are the essential qualities required in this demanding but fulfilling role.

Telephone or write in confidence to M. J. R. Chapman, quoting reference 4168.

Lloyd Chapman Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

Export Finance Executive

London American Finance Corporation is one of the City's best known export finance houses. As a result of recent internal expansion we now require a first-class marketing professional for a key appointment, with responsibility for developing business in the Middle East and North Africa and for maintaining existing relationships in these markets.

We should like to hear from people with three to five years experience in export marketing, whether with a manufacturer or a banking/finance house. Knowledge of ECGD Credit Insurance is essential.

Analytical skill, good written and oral communication, an international outlook and an interest in people are desirable qualifications.

Regular overseas travel will be necessary.

A competitive salary will be negotiated and there are excellent career prospects as well as a good benefits package.

Please write briefly to Mr. M. F. Pettman, enclosing a C.V.,
London American Finance Corporation Ltd.,
Walker House, 87, Queen Victoria Street, London EC4V 4AB.

Manager

CREDIT DEPARTMENT

A leading German bank will shortly be opening a branch in London and requires a suitable applicant for the above position who must have extensive knowledge and experience of all aspects of credit business.

The successful applicant must be fluent in written and spoken German/English language and will be able to set up his own department. Experience in the London market will be an advantage.

The position offers excellent opportunity.

Salary commensurate and usual fringe benefits will apply.

Write in strict confidence giving full details of experience to:

Box A.7310, Financial Times
10 Cannon Street, EC4P 4BY

A highly successful, internationally active, consultant company, specialising in merger and acquisition, affiliated to a world-wide known industrial group is entering a new phase in its development and is

offering interesting career opportunities as

SENIOR EXECUTIVE

at their offices in Zurich and London

The right applicants will have first-class communicative skills, obvious managerial potential and personal dedication. A flexible, hardworking and tenacious approach, together with a well developed business acumen are essential to the job.

Age: 35-50

An attractive salary is offered with excellent benefits package.

If you have the personal and professional qualification needed for these posts write to:

Cipher 44—61'727, Publicitas, P.O. Box, CH-8021 Zurich

International Treasury Assistant

LONDON WC1 up to £11,281

A senior Assistant is required by a small team within the Treasurer's Department that manage the Corporation's activities in the foreign exchange and short-term money markets. Main responsibilities will be concerned with the buying and selling of foreign currency and the management of the Corporation's short term borrowings in the New York Commercial Paper market. However, he or she will also be required from time to time to assist with operations in the Sterling Money Markets and with administrative back-up.

Applicants should be either graduates in Economics or Business or possess a professional qualification, have experience either in banking or in the finance function of a large corporation, and demonstrate a thorough understanding of international financial markets.

Salary will be in the range of £9,887 – £11,281 (including Inner London Weighting) plus the benefits normally associated with a large progressive organisation.

Please write with full details of age, qualifications, experience and current salary, quoting reference F/036601, to the Senior Personnel Officer (London), British Gas, 59 Bryanston Street, London W1A 2AZ.

BRITISH GAS

Recently Qualified

London W.1. around £10,500

As a result of continuing growth the position of Assistant Group Accountant has been created by our client, a public company, active in the property sector. Other Group activities include financial leasing and investing in shares and securities. Working closely with the Finance Director the successful candidate (supported by a small staff) will be involved in the preparation of the financial and management accounts, budgetary and project control and special assignments. This is an ideal opportunity for a qualified accountant to exercise his/her talents and skills in a vigorous and demanding commercial environment, offering excellent opportunities for advancement. Benefits include a non-contributory pension scheme. Ref. 1158/FT.

Apply to R. P. CARPENTER, FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

THE OLD VIC

SPONSORSHIP MANAGER

The Old Vic, like many other theatres, is largely dependent on sponsorship and other forms of financial support.

The Old Vic needs to appoint a Sponsorship Manager who will arrange the sponsorship of the Old Vic Company's productions from industrial or commercial organisations or institutions and for raising funds in the U.K. and abroad, through a variety of means including the servicing of the Friends of the Old Vic.

Candidates should have demonstrated their ability to raise funds, be good at encouraging and co-ordinating the activities of a wide variety of people, good at administration, and must feel that they can identify with the theatre.

Salary is negotiable and will depend largely on the successful candidate's past and future success.

Please write, giving some indication of the relevance of your career to this job, to: Administrative Director, The Old Vic, Waterloo Road, London SE1 8NB, by the 17th October, 1980.

Broker Sales

Life & Pensions

We are looking for someone with a successful track record and a high degree of technical competence to join our small but highly respected London Broker Sales Team.

Do you have experience in Life Assurance and Pensions Planning? Can you relate this to the development of sales through professional advisers?

If so we can offer you a challenging and rewarding career with Save & Prosper Group providing information and guidance to professional advisers on our wide range of personal financial services. An attractive salary plus incentive bonus, company car and excellent employee benefits are offered.

Applications, which will be treated in strict confidence, including brief career details, should be submitted in writing to: R. A. Somers, Regional Manager, Save & Prosper Services Ltd., 4 Great St. Helens, London EC3P 3EP.

This appointment is open to male-female applicants.

SAVE & PROSPER GROUP

Merchant Banking

We seek a banker to develop our Middle East activities which include corporate advisory business and investment deals.

Candidates will be aged 28 to 38 with good academic credentials and a background in commercial or merchant banking. Candidates should be familiar with doing business in the Middle East and ideally will have experience in investment portfolio management and investment projects.

Based in London with frequent travel to the Gulf, this position calls for a mature individual who can work at a senior level with client organisations.

We hope this position will be the first step in a long term career with our organisation.

Please write in confidence sending your curriculum vitae to the Staff Manager, Lazard Brothers & Company Limited, 21 Moorfields, London EC2.

Lazard Brothers & Co., Limited

MANAGEMENT ACCOUNTANT

South Coast **c.£10,000+car**

Our client, part of a major, well established British group, is a medium sized engineering company currently the market leader in its field. As a result of promotion within the group the opportunity has now arisen for the appointment of a Management Accountant at the company's South Coast location.

The first task for the successful candidate will be the establishment of effective manufacturing costing systems involving close liaison with both the manufacturing and sales/marketing departments. Although the post reports to the Finance Director, there will be contact at all levels within the company thus requiring a positive, yet tactful, personality.

It is essential that candidates, male or female, are professionally qualified and possess at least 2 years post-qualification experience in a manufacturing environment.

In addition to an attractive starting salary, other benefits include a car leasing scheme, excellent relocation assistance, 5 weeks annual holiday and other benefits expected of a progressive employer. For the ambitious, career prospects are excellent.

Please send, in complete confidence, a full curriculum vitae including age and salary details and stating any company to which your application should not be forwarded, quoting Ref No M/WS 8039 to:– Bill Sneddon, Barnett Keel International Limited, Providence House, River Street, Windsor, Berkshire SL4 1QT

Barnett Keel
INTERNATIONAL

UK Controller

Consumer Goods

North Hampshire About £12,000 + Car

Our client is a market leader with several household names in its product range. Its UK business has been one of the most successful parts of the group (which is US owned) and turnover is currently running in excess of $20m.

This new position will take responsibility for the accounting and finance department with some 20 staff. Systems are computerised on in house equipment incorporating VDUs.

We are seeking an individual whose post qualification experience includes some exposure to US reporting techniques and requirements and who naturally reacts positively in a fast moving environment. Age – most probably early 30s.

Please reply in confidence quoting U886/FT, giving concise personal, career and salary details to R. G. Billen – Executive Selection.

AMS Arthur Young Management Services, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

Qualified Industrial Accountant

(STRONG COMMERCIAL BIAS)

to £14,000

Nr. IPSWICH, SUFFOLK

As the result of promotion, a well established division of a highly successful international group requires an ambitious and progressive minded Accountant with three years post qualification experience, to join the management team as Financial Controller.

Heading an efficient accounting and DP team, the role embraces responsibility for monthly and annual accounts, variance analysis, budgets & long term plans, cash management and the continuing development of sophisticated integrated systems employing in-house computer facilities.

An essential requirement of this position is the ability to provide guidance to the production, market and selling functions, advising on project evaluations, major capital expenditure etc. as well as playing an important part in pricing and contract negotiations. Career prospects and rewards throughout the group are excellent.

Interested candidates should apply in confidence to:

Sheldrick, Sedgwick & Goodyer

93-94 Chancery Lane, London WC2A 1DT. 01-405 9843.

Senior accountancy & financial management selection

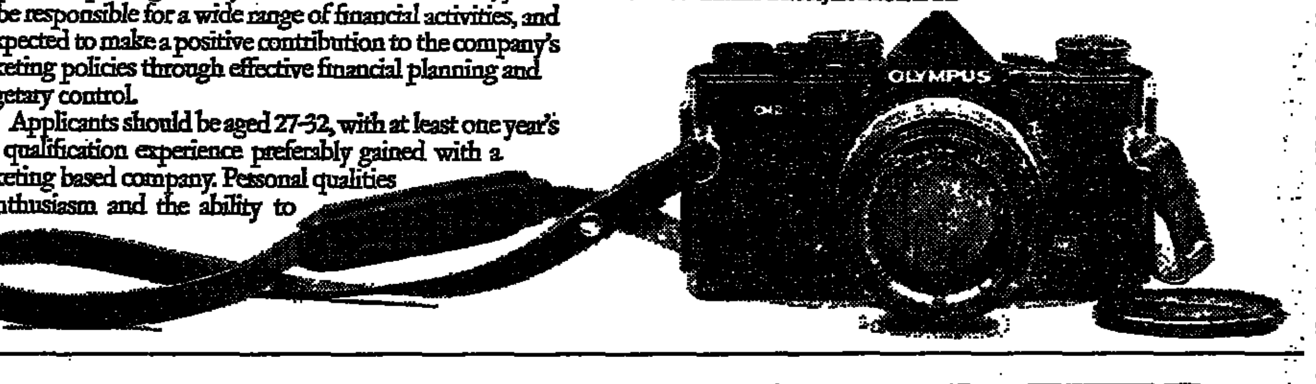
OLYMPUS REQUIRE A CHARTERED ACCOUNTANT

We are the market leaders in quality photographic equipment. In order to facilitate our continued growth, we require an ambitious Chartered Accountant to join our financial team.

The scope of this position cannot be over estimated and, for the successful applicant, there are excellent promotion prospects. Reporting directly to the Chief Accountant, you will be responsible for a wide range of financial activities, and be expected to make a positive contribution to the company's marketing policies through effective financial planning and budgetary control.

Applicants should be aged 27-32, with at least one year's post qualification experience preferably gained with a marketing based company. Personal qualities of enthusiasm and the ability to communicate, are essential to succeed in this innovative role.

The commencing salary will be negotiable and the remuneration package will include a six monthly bonus, BUPA and pension scheme. For further information, please write in confidence to: C. Wood, Olympus Optical Co. (UK) Ltd., 2-8 Honduras Street, London EC1.



Director General

The National Caravan Council

The National Caravan Council, established in 1939, is the official representative body of the British caravan industry. It serves to promote and protect the interests of the industry and the customer. The Council has formed close links with government and with local authorities and is the accepted channel of communication between these bodies and the industry. The Director General is the chief full-time official of the Council. His or her prime responsibility is to contribute to broad policy making, to represent the Council in certain circumstances and to direct the work of the Secretariat which services the various committees of the Council. Applications are invited for a successor to the present Director General on his retirement. Candidates preferably aged between 40 and 50, will have held senior administrative appointments in commerce or industry. Salary will be negotiable over £15,000 and a car is provided. Location: Weybridge, Surrey.

GM3/7457/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

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As a result of continued success in our policy of sector specialisation, an opening is now available for a salesperson to join our Electrical and Electronic marketing team.

Ability to communicate with institutions is of prime importance, and experience within the Electrical/Engineering Industries would be preferred.

Please reply in confidence to:

Colin Line
Spencer Thornton & Co.
22, Cousin Lane, London EC4R 3TE

Managing Director

Branded clothing £30,000 minimum

A well-known British company with an internationally recognised brand name has a turnover approaching £20m in the home market. A Managing Director is required to take full responsibility for this operation and ensure its profitable growth and development. Candidates, aged up to 50, should have board-level experience within a clothing manufacturer which markets branded merchandise — ideally casual wear. Their background should be in sales and marketing/merchandising and they should be thoroughly familiar with the distribution channels for their products. They should be experienced in allocating a substantial advertising appropriation and in providing an adequate interface and guidance for manufacturing. Salary is negotiable upwards of £30,000 plus car. Location: Home Counties. *Ref: GM34/7458/FT*

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

COMPANY SECRETARY/ ACCOUNTANT

£15,000

A City based American Investment Bank seeks an experienced Accountant/Administrator wishing to broaden his/her managerial skills. The successful candidate will report directly to the Senior Executive and be responsible for accounts, general administration and personnel.

Ideally, the person appointed will be aged 30-40, an ACA or ACIS with Financial/City experience.

Please apply to:—

CRONE CORKILL & ASSOCIATES LTD.,
23 Wormwood Street, London EC2
Telephone: 01-628 4835

INDUSTRIAL FINANCE

REGIONAL MANAGER Based North West

Our client is a subsidiary of a major international Group specialising in Industrial Hire Purchase and Leasing.

Applications are invited from candidates with considerable experience, gained within a recognised Finance House, who have now reached the position of either Area or Senior Branch Manager.

Whilst professional management skills are essential, the emphasis will be directed towards those who can demonstrate entrepreneurial flair and the ability to obtain new business through negotiation at all levels.

The package includes a substantial basic salary, executive car and all normal big-company benefits, plus relocation expenses where applicable.

For further information, male or female candidates should telephone 061-928 3664 to 5.30 pm or 061-941 4652/061-486 0058 6.30—9.30 pm or write immediately to

HEWITT MANAGEMENT SELECTION

16/17 Stamford House, Stamford New Road Altrincham, Cheshire WA14 1BL

Senior Commercial Lawyer

London **c £15,000**

International Military Services Limited is a British government owned Company, engaged in the supply of defence equipment, technical support and major engineering projects for overseas governments. Increased Company activity has created a vacancy for a Senior Commercial Lawyer.

Reporting to the Commercial Director, and with the assistance of a small team, the successful candidate will provide in-house legal advice on current and new business and assist in contract preparation, negotiation and completion. Liaison is maintained when necessary with externally retained Solicitors.

The essential requirement is a number of years' practical experience in the preparation and implementation of high value commercial contracts of a technical nature both in the UK and overseas. Understanding of Company finance, including ECGD Insurance would be an advantage. Candidates, male or female, should have an appropriate qualification and it is unlikely that anyone under the age of 35 will have had sufficient experience.

Benefits are attractive and include a non-contributory pension scheme and free BUPA membership.

Please write with details of experience and qualifications to: Mr. P. M. Cross, Personnel Manager, International Military Services Limited, 4 Abbey Orchard Street, London SW1P 2JJ.

IMS **International Military Services Limited**

INTERNATIONAL BANKING

EUROCURRENCY LOANS ADMIN. **to £7,000**

Quite recently established London branch of international bank offers challenging opportunity to young bankers, 25+, with sound practical experience and preferably some supervisory ability.

ACCOUNTING/CONTROL **c. £6,000**

Not just a "ticking and checking" job but one that requires the ability to handle a wide range of accounting aspects, queries and ad hoc exercises.

FOREIGN EXCHANGE "BACK-UP" (3) **c. £5,750**

Each of these situations demands sound practical experience and genuine promotion potential; in return, they offer better prospects than most in actively trading international banks.

The above is but a selection from our current list of career opportunities; to discuss these, or your own particular requirements, please telephone Ann Costello or John Chiverton A.I.B.

JOHN CHIVERTON ASSOCIATES LTD. 31, Southampton Row, London, W.C.1. 01-242 5041

THE UNIVERSITY OF MANCHESTER MANCHESTER BUSINESS SCHOOL

Research Assistantship in International Finance and Banking in the Manchester Business School

Applications are invited for the above post from suitably qualified candidates. Salary range £4,402-£6,399 p.a. Further particulars (and application forms returnable by October 27th, 1980) from the Registrar, the University, Oxford Road, Manchester M13 9PL.

ACCOUNTING OVERLOAD...

has developed an exclusive relationship with some substantial client companies for the provision of temporary accounting staff. The newly created permanent division is building on this reputation, the following being a sample of current vacancies:

Management Auditors—Ambitious qualified (C.A.) prepared for overseas travel with "blue chip" multinational c. £12,000.

Deputy Financial Controller—divisional responsibilities within major brewing group, career development opportunity to £9,000.

Senior Audit Clark — Practice requires part-qualified or older unqualified person. Salary £6,500 to £7,000.

Cashier—Confirming house have vacancy for experienced cashier age 30-45, c. £6,500+ excellent fringe benefits.

Contact our Consultants now for a greater detailed discussion of how we can help you maximise your career potential on:

404 0350/1 121 Kingsway, London WC2 6PH

Financial Controller

Investment Banking

£20,000+benefits

A challenging international development plan, for a substantial U.S. investment bank, has created the need for a financial controller within a young executive team based in London.

The position will involve responsibility for the creation of accounting functions, the development and maintenance of control systems and administrative procedures. The individual will advise on both corporate and personal taxation in an international environment and will be expected to travel.

Candidates must be Chartered Accountants, over 35, who can demonstrate considerable achievement within the financial community. U.S. reporting experience and exposure to computerised accounting are required.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to P.J. Williamson quoting reference 929/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

A Corporate Finance Challenge for a Young Accountant

PolyGram Leisure is a member of a major international group with substantial interests throughout the recorded music, music publishing, film and T.V. and related leisure fields. Its recordings carry such well known labels as Polydor, Decca, Philips and Deutsche Grammophon and it includes companies such as Chappell and Britannia Music.

The Company occupies a major position in its field and the Financial Director is now looking for a young Accountant, aged 25-30 with a recognised qualification to act as his assistant. Based at the Company's head office just off Oxford Circus, the man or woman appointed will be involved in the fields of finance and accounting relating to all U.K. operations including back-up, monitoring and ad-hoc projects for the Financial Director.

A broad-based commercial/industrial accounting background is essential coupled with a high level of professional ability; a logical mind; tact and diplomacy.

This position will provide excellent career opportunities and a good insight into corporate level operations in a dynamic international organisation.

Salary will interest those at present earning in excess of £6,500 per annum and there is an attractive range of benefits.

Please write in confidence with full c.v. to Mr. A. Ll. Wilbraham, Group Personnel Executive, PolyGram Leisure Limited, 15 St. George Street, London W1R 9DE.

PolyGram

Australia

Investment Analyst

Financial Director Designate

c.$A40,000

A major U.K. owned group with world-wide commercial and manufacturing interests is expanding its Australian operations.

To help in this development it is seeking an Analyst, preferably an Economist or a qualified Accountant with a degree in business administration. Probably in his late thirties his experience, commercial know-how and analytical ability will enable him to play a significant part in the search for and evaluation of potential acquisitions and other projects. He will report directly to and work closely with the Chairman and Chief Executive.

Several years' practical experience in one or more manufacturing companies using sophisticated appraisal and control techniques, and experience in domestic and international finance would be definitely advantageous.

The longer term prospects in either financial or general management are good.

The position will be based in Sydney, and the salary will be in the region of c.$A40,000. Additional benefits will be those of a very large international company.

Please write with a comprehensive c.v. that includes salary history to Position Number AMT 8048, Austin Knight Limited, London W1A 1DS.

Applications will be forwarded to our client and you should list in a covering note to the Position Number Supervisor those companies to which you do not want your application sent.

Austin Knight Advertising
AK LONDON

Charles Barker
Confidential Reply Service
Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farringdon Street, London EC4A 4EA.

Leading Merchant Bankers

Guernsey

Our client has immediate vacancies for:-

Senior Banking Clerk

The successful applicant for this senior appointment will be directly responsible for co-ordinating the activities of the principal sections in the Banking Department which involves support for their dealing activities and control of all of the banking administration, management returns, etc.

There is a wide diversity of activities and we are looking for someone with experience in Banking who is keen and able to accept responsibility.

Age is not important for this challenging appointment. *Reference 1673A.*

Asset Management Assistant

Applicants for this post require a good working knowledge of stock exchange procedures in the United Kingdom and should have had some experience in delivery and settlement procedures on an international basis. The opportunity provided is to join a team handling considerable asset portfolios for individuals and trustees as well as corporate cash management.

Preference will be given to applicants with local residential qualifications.

A highly competitive remuneration package is offered. *Reference 1673B.*

Fast track accountants

C&L

As one of the largest British management and economic consultancies we offer exceptional challenges—and opportunities—to outstanding graduate accountants, aged 26-32, with successful records in financial analysis or computer-based systems.

We offer:
- an initial remuneration package worth up to £15,000 pa
- demanding assignments, often working in multi-discipline teams
- opportunities to work overseas
- a base in London, Birmingham, the North or Scotland
- rapid career and earnings progression

Résumés including a daytime telephone number to E H Simpson, Executive Selection Division, Ref. CA20/59.

Coopers &Lybrand associates
Coopers & Lybrand Associates Limited management consultants
Shelley House, 3 Noble Street London EC2V 7DQ

General Manager

Northern Ireland c. £15,000 + car

Sedgwick Group

Our client seeks a General Manager (with a view to a future Board appointment) to establish a new office in Belfast. This is a unique opportunity for an experienced insurance broker to set up and run an autonomous operation with the full backing of this major group which has established insurance connections in Northern Ireland.

The man or woman we seek will have the experience, leadership and managerial ability as well as the commercial flair needed to set up a new organisation and meet demanding growth and profit targets. Candidates aged less than thirty are unlikely to meet the criteria. Car and other benefits will be provided appropriate to this senior position.

Please telephone or write in strictest confidence, quoting reference 74/GM/FT, for an application form.

PA Management Consultants Ltd
Executive Selection Division,
Ulster Bank House, Shaftesbury Square, Belfast BT2 7DL Telephone: Belfast 27467.
PA
A member of PA International

Botswana

Power Corporation

Divisional Accountant

Up to £14,000 plus allowances

Applicants must be decisive and completely self-motivated and possess a recognised accounting qualification; they should also have three years' experience in a supervisory capacity.

The successful candidate will be responsible to the Corporation's Chief Accountant for the preparation of monthly accounts for the self-accounting division covering the eastern area of Botswana. Specific duties include preparation of budgets and long-term estimates, major project investment appraisal, control of the divisional cash resources and the training of local staff. Posting will be to Selebi-Phikwe.

Salary attracts 25% tax-free gratuity. Other benefits include free passages, generous paid leave, children's holiday visit passages and education allowances.

For an application form and full details writing quoting MA/910/FF, or phone Jane Holland on 01-222 7730 ext. 3519.

Crown Agents
The Crown Agents for Oversea Governments and Administrations, Recruitment Division, 4 Millbank, London SW1P 3JD.

MANAGEMENT ACCOUNTS

Age: 23-25 **c. £6,500**

Sound experience of management accounts and Bank of England returns plus supervisory potential will secure this demanding position in a major European bank. Career prospects are excellent as are the fringe benefits which include 3% mortgage facility and n/c pension scheme.
Please contact Trevor Williams.

INTERNAL AUDITOR

Age: Late 20's **c. £10,000**

If you're a qualified accountant with at least 18 months' post-qualifying experience of the auditing function within banking and you have fluent German, our client offers a first-class career opportunity in a small but expanding European bank. Excellent range of fringe benefits includes mortgage assistance, 4 weeks holiday, free BUPA, etc.
Please contact Trevor Williams.

LOANS ADMINISTRATOR

Age 21-26 **c. £6,500**

If you have good experience of roll-overs, drawdowns and rate fixings and your potential is going unrewarded, our client the merchant banking division of a leading American bank, may provide the solution. They offer superb career prospects and a full range of fringe benefits including 3% mortgage facility and n/c pension scheme.
Please contact Miriam Chance.

SENIOR CREDIT ANALYST

Age: Mid/Late 20's **£8,500-£10,000**

If you're a credit analyst of at least 3 years' standing, use your balance sheet analysis expertise as a springboard to greater responsibility and superb career prospects with a major international bank. If your experience includes formal U.S. credit training so much the better!
Please contact Miriam Chance.

If your present job in banking does not seem to be developing along the right lines and you feel in need of sound advice on current opportunities in the City, ring Banking Personnel now for an informal chat with one of our Consultants.

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

INVESTMENT MANAGEMENT

FUND MANAGER

An opportunity arises in this company for a young but experienced fund manager. He/she will probably be in his/her late twenties, will have a university degree or professional qualification, and will have had several years' experience in the management of sizeable investment funds.

The post will be primarily concerned with the management of institutional funds and it is important that applicants should have a broad general knowledge of the needs of such funds and the appropriate personal qualities necessary for representing the company at a relatively high level. Funds under management at present total about £300m.

Salary will be competitive and there are in addition generous profit-sharing arrangements. A non-contributory pension scheme provides a first-class package of benefits including substantial life cover, and widow's pension.

The company supports a subsidised lunch restaurant.

Applications with full curriculum vitae to:—

Box A7312, Financial Times,
10 Cannon Street, EC4P 4BY

STOCKBROKING

James Capel & Co. have vacancies for two

SETTLEMENT CLERKS

with at least two years relevant experience.
Excellent bonus prospects plus usual range of benefits

Please apply in confidence to:

**Personnel Department,
James Capel & Co.,
Winchester House
100 Old Broad Street,
London EC2N 1BQ.
Tel: 01-588 6010
(No Agencies)**

Financial Accountant

c.£9,500

A leading industrial organisation now has a challenging opportunity in its group financial department in West London.

The post calls for a young qualified accountant, ideally with experience in a major professional practice or commercial concern. An above average ability to communicate with accountants at all levels and ages and the strength of personality to ensure adherence to reporting policies are important attributes.

Within strict time parameters the role covers all aspects of financial accounting using computerised systems and offers excellent experience at large group level. There are good prospects for personal development and promotion.

Please telephone or write in confidence to: MANN MANAGEMENT, 124 New Bond Street, London W.1. 01-629 4226.

MANN MANAGEMENT

EDITOR

money management

Following internal promotion within Financial Times Business Publishing, applications are invited for the position of Editor of Money Management. This is a senior appointment within the company and the successful candidate should be able to demonstrate both magazine experience and extensive knowledge of the field of personal finance.

Please contact:
Niall Sweeney,
Editorial Director,
Financial Times Business Publishing Ltd.,
Greystoke Place,
Fetter Lane,
London EC4A 1ND.
Tel.: 01-405 6969.

(All applications will be treated in strictest confidence)

CREDIT ANALYST

TO £12,000

A leading American bank requires an experienced Credit Analyst to assume particular responsibility for European and UK commodity markets.

The successful applicant will have experience in credit/research analysis and possess the aptitude and long term ambition to progress to a more senior appointment within the bank. In addition to a competitive salary excellent benefits include mortgage facility and personal loans.

Call Majella Feely on 01-580 3536

Alison Harding Limited
BANKING RECRUITMENT UNIT

DISTRIBUTORS/AGENTS required to promote range of portable buildings and refrigerated units throughout UK and abroad. Write Box A.7309, Financial Times, 10, Cannon Street, EC4P 4BY.

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FINE ART SOCIETY, 148, New Bond St., W1. 01-629 5116. ART IN SCOTLAND 1800-1920. Also Edward Bawden.

LEFEVRE GALLERY. 30, Bruton St., W1. 01-493 1572-3. An Exhibition of RECENT PAINTINGS BY TRISTRAM HILLIER, RA. Mon.-Fri. 10-5. Sats. 10-1.

MALL GALLERIES. The Mall, SW1. Pastels by Betty Bowman. Mon.-Fri. 10-5. Sats. 10-1. Until 8 Oct. Adm. Free.

BERMUDA

QUALIFIED ACCOUNTANT — $27,000 tax free

Our client is one of the most respected and well established corporations in Bermuda. In view of their exemplary standards, the requirement is for capable, outgoing, well presented qualified Accountants. The position is interesting, the prospects are good, the company is in a growth situation and the requirement is immediate. Applicants, preferably single or married without children, should telephone:

CHRISTOPHER D. STOCK FICB AECI(Lic)
for further information and a confidential discussion
on 01-481 8111

PS GROUP
BANKING & ACCOUNTANCY PERSONNEL SELECTION
Lloyds Avenue House, 6 Lloyds Avenue, London EC3N 3ES, TELEPHONE: 01-481 8111.

Financial Accountant

Maidstone, Kent £12,000-£14,000

British Anzani Ltd. is a flourishing UK group with interests in a variety of industries.

The construction division of the group has created this new position in response to growth requirements. Reporting directly to the Financial Director, you will be in charge of all activities of the accounts department at the division's headquarters in Maidstone.

Able to demonstrate management ability and initiative, you should preferably be qualified and ideally have experience of the construction industry. The age range envisaged is late twenties to mid thirties, although this is not too strict.

Career opportunities within the group are excellent for the right person.

Phone Alison Baird, PER, 5-11 London Road, Maidstone, Kent. (0622) 677611.

(Answering service out of hours (0622) 677612.

Applications are welcome from both men and women

PER Professional & Executive Recruitment

DEPOSIT DEALER

A professional deposit dealer is required by the London based subsidiary of a leading Scandinavian bank to manage its funding requirements. Applicants should have several years of experience in the eurocurrency interbank deposit markets, preferably gained with a leading international bank. Knowledge of domestic sterling markets would be useful as well as in other short term treasury instruments, including commercial paper, C.D.'s and bills.

The successful applicant will have substantial autonomy within an operation that is growing very quickly and as a consequence will offer a very competitive salary and fringe benefits scheme.

Please send full details to Box A7311, Financial Times, 10 Cannon Street, EC4P 4BY

Credit Analyst

Marine Midland Bank NA, London Branch, is seeking to strengthen its small professional team of credit Analysts as a result of the strong growth of its lending activities. We are looking for someone with either at least two years experience in full time credit analysis, or with an extensive corporate research background and evidence of financial ability. Fluency in a European language would be advantageous.

The position offers an exceptionally wide range of analysis and requires high quality and precise written reportings. A competitive salary and comprehensive benefits package is being offered.

Please send full c.v. to Mrs. T. Andrews, Personnel Department, Marine Midland Bank, NA., 34 Moorgate, London EC2R 6JR.

MARINE MIDLAND BANK, N.A.

FINANCIAL CONTROLLER
(DIRECTOR DESIGNATE)

Location — **WATERLOO AREA**

Remuneration Package — **c. £15,000 + CAR**

We are the leading computer application software company in the U.K., specialising in financial systems and operating in an industry with a growth rate in excess of 25% compound.

The Financial Controller will report directly to the Chief Executive and will be responsible for all financial aspects of the group including corporate planning.

A PRIME 550 Computer with associated systems is installed to aid the FC in these tasks.

The Financial Controller will form part of a high-powered management team and will be expected to provide dynamism, a sense of realism and the ability to contribute and communicate.

Applications in strict confidence to:—

Roy Taylor
Chairman & Managing Director
PACKAGE PROGRAMS LTD.
91 Blackfriars Road, SE1
Telephone 01-633 0121

(Stockbrokers)

Laing & Cruickshank

have vacancies for dealers to service their large and expanding Private Clients Department. Experience is preferred, but consideration would be given to experienced senior Blue Buttons.

Applications to Mr. G. Church
(Dealing Partner)

IMPORTANT SWISS COMMODITY TRADING COMPANY *is looking for an*

EXECUTION MANAGER

- Swiss or "C" permit
- Minimum five years' experience in commodity execution (documentary credit and business follow-up)
- Aged 35-45
- Fluent English
- Responsible position involving co-ordination of all execution operations

Please write to arrange an interview:
A.T.T. SA
10, rue Bonivard, 1201 Geneve

CORPORATE FINANCE

EAL

Hong Kong Up to £15,000

Leading Far East Merchant Bank seeks an experienced Corporate Finance Executive. The appointed candidate will join an established and successful team and will handle transactions independently. Preferred age late 20's or early 30's.

Candidates, will probably combine a degree with a professional qualification in accountancy or law. They must have experience across the full range of corporate finance transactions. Salary negotiable to £15,000 plus excellent financial benefits, including subsidised mortgage scheme and profit participation. (SW924)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1., quoting reference. No identities divulged without permission.

Join our Acquisitions Team

Hill Samuel & Co. Limited, one of the City's leading Accepting Houses is looking for an Executive to join their Corporate Finance Department as a member of a specialised acquisitions team.

The responsibilities of the individual will include the initial identification and assessment (including financial appraisal) of potential acquisitions both for clients of the Bank and other companies. Applications are sought from individuals in their late 20's to early 30's who have gained practical experience as an analyst with a firm of stockbrokers or another financial institution and who are able to demonstrate sound commercial judgement and initiative.

An attractive remuneration package will be negotiated including mortgage facilities, BUPA and non-contributory pension scheme.

Please write with full career details as soon as possible to:

R. C. G. Gardner,
Director of Personnel,
Hill Samuel & Co. Limited,
100 Wood Street, London EC2P 2AJ.

All applications will be treated in the strictest confidence.

HS

MELLON BANK N.A.
London Branch

requires a

CREDIT ANALYST

Whose duties will encompass analyses of U.K., European and Scandinavian companies and banks for preparation of recommendations for the Bank's Management. Previous credit, financial or investment analysis experience and a good knowledge of accounting is essential. Preference will be given to a graduate or professionally qualified person. Salary is negotiable and the total remuneration package attractive.

Apply, giving particulars of work experience, to:

Miss D. M. Thain, Mellon Bank N.A., 15 Trinity Square, London EC3N 4AP

SOUTHEAST BANKING CORPORATION
International Bank Economist

Florida's largest banking group seek an International Bank Economist with minimum 6-8 years' experience specialising in Latin America, for new position in rapidly developing International Division. Responsibilities will include assisting with management training programme; advising executive management on country risk analysis and strategy; preparation of international economic reports for public readership; and representing Bank in the speaking engagements to regional financial and business communities.

Among personal qualities to be stressed will be ability to relate well to and work effectively with others. Willingness to travel and ability to speak fluent Spanish essential. Position to be based in internationally-orientated Miami. Compensation will be competitive in U.S. terms and dependent on qualifications and experience.

Applicants are invited to submit written résumés of educational background, qualifications and experience in strictest confidence to:

European Representative Office
Southeast First National Bank of Miami
Stock Exchange Tower
Old Broad Street
London EC2N 1ED

LEADING LONDON

EURO-CURRENCY DEPOSIT BROKERS

require a French speaking broker for their expanding continental C.D. business, broking or banking experience essential.

Please write with details of c.v. to:

TRADITION (C.D. BROKERS) LIMITED,
Lee House, London Wall, London EC2Y 5AS
Attention: Managing Director

FOREIGN SETTLEMENTS CLERK

Medium sized firm of Stockbrokers have a vacancy for a Foreign Settlements Clerk. Applicants must be experienced in handling bearer and foreign securities, also able to settle foreign currency accounts. London Stock Exchange experience essential. Good salary offered together with usual benefits.

Write Box A7313, Financial Times, 10 Cannon Street, EC4P 4BY

ASSISTANT to MANAGING DIRECTOR

London **c £11,000**

We are a £400 million t.o. group of companies operating profitably on a world wide basis. We seek a well qualified executive to assist a Managing Director based at the Group's headquarters in the City, in the development and control of a major sector of the Group's manufacturing activities in the U.K. and overseas. This is a demanding and interesting opportunity for a graduate man or woman probably aged around thirty who can offer experience in the analysis of company reports and statistics, in the development of sound corporate strategies, in commercial liaison work and in acquisition studies. The person to be appointed is likely to be a graduate of a business school and with a background in financial work, perhaps obtained in employment with a merchant bank. Intellectual ability, a firm personality and a flair for communicating at boardroom level are essential qualities.

Please apply with a c.v., in strict confidence, to the Managing Director, Box A.7314, Financial Times, 10 Cannon Street, EC4P 4BY

C.V.'s

Today's executive recognises the need for an outstanding C.V. as a vital tool in a successful job search.

At a realistic price we provide a staff of trained consultants who can prepare your C.V. to the highest standards and ensure that you are presenting yourself in the most effective way.

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12 Burleigh St., WC2E 7PX
01-836 4561

EGYPT
Engineering for Petroleum and Process Industries
(ENPPI)

A joint venture company active in the detailed design of petroleum refining and gas processing plants and serving Egyptian oil industry seeks specialists in:

- Gas Processing: Process engineering and technology expertise;
- Instrumentation: Specialists in process control, detailed engineering and design;
- Materials: To specify equipment materials of construction;
- Piping: Proof checking of layout and piping drawings.

Please send resume indicating net salary requirements to:

P.O. BOX 2521, ELHORREYA
HELIOPOLIS, CAIRO

CHIEF ACCOUNTANT
C£8,500 plus car and relocation costs

A rapidly growing enterprise in Aberdeen, engaged in the offshore service industry, requires a young, newly-qualified Chartered Accountant.

The Company is part of a major London-based Group operating principally overseas.

The job involves most aspects of financial management, including full responsibility for accounting matters and project analysis, reporting to the local Board.

Applicants should reply with career details to:

The Personnel Manager,
John Swire & Sons Limited,
Regis House, 43/46 King William Street,
London EC4R 9BE

DG David Grove Associates 01-248 1858

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FX DEALER

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Classified Advertisement Manager
Financial Times
10, Cannon Street, EC4P 4BY

APPOINTMENTS WANTED

EUROPEAN EXECUTIVE SALES. Chairman, CEO level, one time closer, present situation has peaked. Permanent European resident, free to travel, have new transportation. Commission level 50,000 S/F. Reply to: Apartado 41, 2766, Estoril, Portugal.

COMPANY NOTICE

ZAMBIA COPPER INVESTMENTS LIMITED
(Incorporated in Bermuda)
NOTICE TO MEMBERS

Notice is hereby given that the eleventh annual general meeting of members of Zambia Copper Investments Limited will be held at Belvedere Building, Pitts Bay Road, Pembroke, Bermuda, at 11h00 on Monday, 10th November, 1980, for the following business:

1. To receive and consider the statement of accounts and the reports of the directors and of the auditors for the year ended 30th June, 1980.
2. To elect directors.
3. To fix the remuneration of the auditors and to reappoint the auditors for the ensuing year.
4. Special business: To consider and, if deemed fit, to pass, with or without modification, the following resolution, namely:
"That the action of the directors of the Company in transferring an amount of US$5,575,000 from the share premium account to meet a deficit arising in respect of extraordinary items be hereby approved."

A member entitled to attend and vote at the meeting is entitled to appoint another member as his proxy to attend and, on a poll, to vote in his stead. Under Bermudian law and in accordance with the Bye-laws of the Company, a proxy must also be a member of the Company.

By Order of the Board.
R. B. TUNNA, Secretary.

Registered Office:
Belvedere Building
Pitts Bay Road
Pembroke, Bermuda

Postal Address:
P.O. Box 650
Hamilton 5,
Bermuda

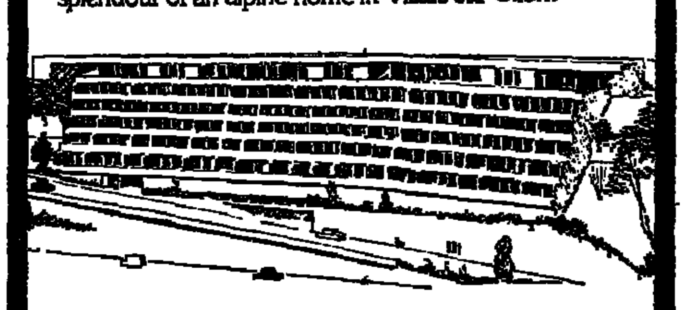
London Office:
40 Holborn Viaduct
London EC1P 1AJ

2nd October, 1980.

RESIDENTIAL PROPERTY

FOR SALE ANOTHER WORLD NOT WORLDS AWAY

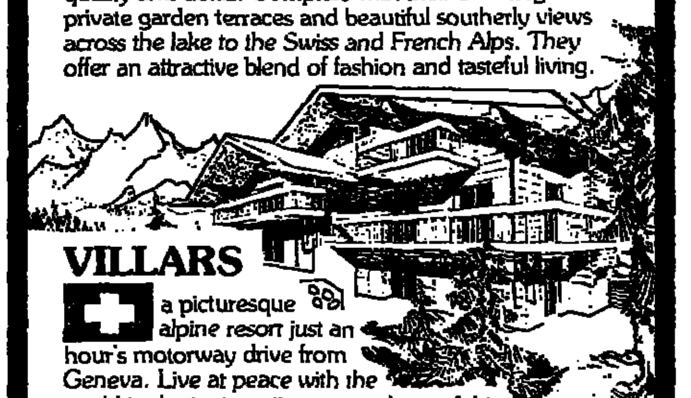
Freehold investment or a second home in the luxury of a lakeside apartment in Montreux or the quiet splendour of an alpine home in Villars-sur-Ollon.



MONTREUX

set in a bay on the northern shore of Lake Geneva, known for its host of fashionable attractions — even an excellent 18 hole golf course and many other sports facilities to enjoy.

These apartments are fitted out to high standards of quality and design. Complete with their own large private garden terraces and beautiful southerly views across the lake to the Swiss and French Alps. They offer an attractive blend of fashion and tasteful living.



VILLARS

a picturesque alpine resort just an hour's motorway drive from Geneva. Live at peace with the world in the invigorating atmosphere of this mountain setting — pretty in summer, breathtaking in winter... or enjoy all year round the variety of sports for which Villars is justly renowned.

Our apartments — between 5 and 8 in each traditional chalet style building — are designed and built by our craftsmen to luxury specifications, much of the decor being customers' own choice. The lightly wooded parkland setting of these homes is further enhanced by careful landscaping.

Both sets of properties are highly valuable for your own use and for letting through the owner-builders' separate management company who provide a fully operated service. **Mortgage facilities** — 75% over 25 years: Interest rates from 4.75% p.a.

Our Sales Manager Mr. Christian Marich stays frequently in London at The Dorchester Hotel to meet prospective buyers. If you would like to meet him during his next visit, please contact him at the owner-builders: SODIM SA P.O. Box 62, 1884 Villars-sur-Ollon, Switzerland. Telephone 010 41 25/35 31 41. Telex 25259 GESER CH.

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Secluded settings — fine views. Studios — 2 rooms — 3 rooms. Individual Chalets.

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MEET MR. MARICH AT THE DORCHESTER
BETWEEN NOW AND FRIDAY 3rd OCTOBER
PHONE: 01-629 8888

COMPANY NOTICE

GOLD FIELDS 1980
Notice of Annual General Meeting

The Annual General Meeting of Consolidated Gold Fields Limited will be held at the Dorchester Hotel Ballroom Entrance, Park Lane, London, W.1, on Wednesday, 12 November, 1980, at 11.30 a.m., for the transaction of the following business:

1. To receive and consider the audited accounts for the year ended 30 June, 1980, together with the report of the Directors, and to declare a final dividend.

2. To re-elect Directors.

3. To re-appoint the Auditors and to authorise the Directors to fix the Auditors' remuneration.

4. To consider, and if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution: "That with effect from 1 January, 1981, '£7,500' be substituted for '£5,000' in Article 80 of the Company's Articles of Association."

By Order of the Board
P. F. G. ROE
Secretary.
30 September, 1980.

NOTES

Only members holding fully paid Ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the meeting. A member so entitled may appoint a proxy, who need not be a member, to attend and vote on his behalf.

Holders of share warrants to bearer who wish to be present or represented at the meeting may obtain the necessary information regarding the formalities to be complied with from the registered office of the Company.

The register of Directors' interests, together with copies of contracts of service between the Directors and the Company or any of its subsidiaries (or a memorandum of the terms thereof), other than contracts expiring or determinable within one year without payment of compensation, will be available for inspection at the registered office of the Company during normal business hours until the date of the Annual General Meeting and on that day at the place of the meeting from 11.15 a.m. until its conclusion.

Consolidated Gold Fields Limited
49 Moorgate, London EC2R 6BQ

BOLTON HOUSE INVESTMENTS LIMITED

Offer for 400,000 Ordinary 25p Shares at 100p

Emson & Dudley Securities Management Limited announce that the offer was oversubscribed and the application list closed at 10 a.m. on September 29th, 1980.

PUBLIC NOTICES

WAKEFIELD METROPOLITAN DISTRICT COUNCIL

£5,400,000 Bills issued 2.10.80 at rate of 13½% to mature 2.4.81. Total applications were £29,000,000 and these Bills are the only ones outstanding.

H.M. LAND REGISTRY
LOST CERTIFICATE

It is proposed to issue a new Certificate to replace the one described below that is stated to have been lost or destroyed. Anyone possessing the missing certificate or objecting to the issue of a new one should at once notify HM Land Registry, Lincoln's Inn Fields, London WC2A 3PH. Land Certificate Freehold Title No. DU43144. Land lying to the north-west side of Tees Road, Hartlepool, Cleveland. Proprietor—Norsea Pipeline Ltd.

MINERALS AND RESOURCES CORPORATION LIMITED
(Incorporated in Bermuda)
NOTICE TO MEMBERS

Notice is hereby given that the fifty-first annual general meeting of members of Minerals and Resources Corporation Limited will be held at Belvedere Building, Pitts Bay Road, Pembroke, Bermuda, at 11h15 on Monday, 10th November, 1980, for the following business:

1. To receive and consider the financial statements and the reports of the directors and of the auditors for the year ended 30th June, 1980.
2. To elect directors.
3. To fix the remuneration of the auditors for the past audit and to reappoint the auditors for the ensuing year.

A member entitled to attend and vote at the meeting is entitled to appoint another member as his proxy to attend and, on a poll, to vote in his stead. Under Bermudian law and in accordance with the Bye-laws of the Corporation, a proxy must also be a member of the Corporation.

By Order of the Board.
R. B. TUNNA, Secretary.

Registered Office:
Belvedere Building
Pitts Bay Road
Pembroke, Bermuda.

Postal Address:
P.O. Box 650
Hamilton 5
Bermuda

London Office:
40 Holborn Viaduct
London EC1P 1AJ

2nd October, 1980.

LOMBARD

Sources of low productivity in UK plants

BY GEOFFREY OWEN

IF, AS MOST people agree, an increase in output per man is the key to an improvement in Britain's industrial performance, it is important to be clear about what the causes of low productivity really are. Comparisons of factories in the UK and Germany suggest that German superiority does not stem from larger amounts of capital investment, nor from a higher work-rate on the part of employees. What is crucial is the way workers at all levels (including managers) are organised and deployed, and this in turn has a great deal to do with the way they are trained for the job.

More flexible

In comparison with Germany British plants have an excessive number of people engaged in maintenance and other "non-productive" or staff activities, in support of the line. In Germany many of these functions are built into the line. The people engaged directly in production, ranging from the semi-skilled operatives through the foreman up to the production manager, are more self-sufficient and more flexible. They are able and willing to perform tasks which in the UK would be hived off to another department.

In a detailed study of similar plants in the two countries Mr. Arndt Sorge and Mr. Malcolm Warner have shown (Industrial Relations Journal March/April, 1980) how the barrier between maintenance and production, so rigid in the UK, is virtually non-existent in Germany. British aprenticeship training is centred largely on maintenance. Workers' careers do not straddle the production-maintenance divide to the same extent as in Germany. There is a qualifications gap in the UK between the two activities, reinforced by the separate unions involved. In Germany a craft-fitter is as likely to be a production operative as in maintenance. Moreover there is a tendency to assimilate skilled worker and semi-skilled worker training, notably through the provision of semi-apprenticeships. Training of semi-skilled workers is more systematic in Germany; it is only slightly shorter in duration and less demanding in content than full apprentice training.

Delegated

Sorge and Warner found that in Germany work on the line was more technically orientated: it featured a concern with products and equipment to a greater extent than in Britain, where technical work was more hived off from the line of authority and delegated to expert departments. "Authority and expertise were more closely linked in Germany, but divested from each other in Britain, where work in the line was purified down to managerial, non-technical aspects."

Secondly, the qualifications and careers of technicians, engineers and managers in Germany were seen to be more contiguous and supplementary to these those of workers. This made for a more cohesive labour force witihn the factory, in marked contrast with the UK, where the independence of separate groups was jealously guarded.

Sectionalism

Hence the British factory employs more men than it needs and its industrial relations are complicated by the fragmentation of bargaining units. (The German system has other, non-industrial relations advantages, notably in facilitating the integration of design with production.) Correcting this state of affairs is not easy, because the sectionalism of the British labour force (reflected in the structure and behaviour of the trade union movement) has deep historical roots. Companies have to chip away at the obstacles to mobility and cohesiveness within their factories, while at the national level the deficiences of the aprpenticeship system need to be tackled as a matter of urgency.

Poor Parliament, rich farmers

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

A SELECT audience of lawyers, for whom the avoidance of anything remotely reminiscent of contempt of court is a deeply ingrained habit, received a shock last Friday. The occasion was the afternoon session of the Ninth Congress of the International Federation for European Law, better known as FIDE, the first held in London.

In the presence of seven out of nine judges of the European Court, Mr. Rudolph Luster, a deputy chairman of the legal committee of the European Parliament, mounted the rostrum to expound the Parliament's case in its dispute with the EEC Council, now pending before the Court* Judge Hans Kutscher, president of the European Court, was on the point of getting to his feet to put a stop to this outrage, but Judge Josse Mertens de Wilmars, who will be elected President of the Court at the end of this month, was in the chair and did nothing to stop this extraordinary pleading; and so Judge Kutscher suppressed his anger and remained seated.

There are good reasons why the European Court should not insist on the same tactful silence which surrounds English courts when hearing or deliberating a case. As Lord Hailsham, the Lord Chancellor, said when welcoming the FIDE Congress to London, some of the EEC's problems stem from the fact that the European Court, unlike other courts, is free from any constitutional checks or balances. A politically unacceptable ruling of the House of Lords can be reversed by legislation, but from the European Court, as Lord Hailsham pointed out, the only appeal is to the Press.

As long as the member states remain unable to agree any change in the Traties, and as long as the European Parliament remains only a consultative body, the European Court will remain the only institution capable of developing EEC law and adjusting it to changing circumstances.

This, however, is a highly political task. Consequently the judgments of the European Court should be preceded by the widest possible public discussion of the political and macro-economic merits, in the same way as other political decisions.

The case which the speakers from the European Parliament brought to discussion at the FIDE Congress illustrates very well the intertwining of business and political interests in the disputes submitted to the Court. On the face of it the case is a complaint by two out of the six European producers of Isoglucose—a liquid sweetener made from mainly imported maize — which feel aggrieved by a quota system imposed by the Council for the benefit of sugarbeet growers. Underlying this dispute, however, is a last ditch defence of the European Parliament to have its consultative function respected by the Council, and, what is probably more important, the question whether the aim of making rich farmers of rich countries richer is, in fact, overriding all other aims of the EEC Treaty.

Isoglucose, which in the U.S. and Japan has a 13 per cent share in the market of liquid sweeteners, is in Europe a relatively new product of little economic importance, but it showed a tendency to quick growth and had a competitive advantage over beet sugar. To eliminate this the Council imposed a special levy on its production by Regulation 1111/77. British and Dutch isoglucose producers succeeded in having this regulation annulled by the European Court as discriminatory in October 1978. On that occasion the Court held that the protection of sugarbeet producers could be achieved by other non-discriminatory measures.

In response to this invitation the Commission proposed a new regulation, replacing the levy by a quota system. The objective of this system was to pin down the six existing isoglucose producers in Europe and not allow them to increase substantially their existing production capacities. The Council was in a great hurry to replace the regulation quashed by the Court and asked the European Parliament for a speedy Opinion. However, there were disagreements in the Parliament, and the Council, without waiting for their Opinion, approved the quota system by Regulation 1293/79 on June 25, 1979.

The European Parliament was pained. The right to comment is the only one it has in connection with secondary legislation. Unlike the Commission and the Council, it has no right of lodging a complaint against the other institutions or member States with the European Court. But when two isoglucose producers, the French Roquette Freres, and the German Maizena GmbH, attacked the new regulation in the European Court, the Parliament seized the opportunity and intervened on the side of the isoglucose producers.

The Council maintains that the Parliament is, in reality, not concerned about the rights of the isoglucose producers and that it is abusing the intervention in order to defend its rights and to fight the Council. However, Advocate General G. Reischel took a different view in his Opinion, submitted on September 18. He held that the intervention is admissible because the question of Parliament's consultation is decisive for the validity of the regulation. "As the Treaties reduced the role of the European Parliament in the legislative process to a mere consultation," said the Advocate General, "this limited participation of the people of the member States must not be made ineffective by allowing the consultation to be eliminated without any legal consequences." He concluded that Regulation 1293/79 is null and void because the Council failed to consult the Parliament in making it.

It is a well established practice in Luxembourg to take back with the left hand what the petitioner has received from the right hand. And so the Advocate General proceeded to propose that the Court should make use of Article 174 of the Treaty which enables the Court of Justice to indicate which of the effects of the regulation which it has quashed shall be regarded as confirmed.

Somewhat surprisingly, the Advocate General proposed that though the regulation was void, the quota system, which was the subject of the complaint, should remain in force.

The isoglucose producers argued that the Council could not be genuinely concerned over the stability of the market as it increased the intervention price for sugar by 2 per cent at a time when the increase in yields was accompanied by an unexpected reduction in consumption. They argued further that the priority of Common Agricultural Policy (CAP) should not go as far as to eliminate altogether competition, which was one of the main methods laid down in the EEC Treaty for the pursuit of economic progress. They also reminded the Court that the Commission insisted on a residue of competition in the sugar sector when fining European sugar refineries in the Sugar Ring case, and that any state aids for isoglucose production would fall under the competition rules of the EEC Treaty.

But the Advocate General would have none of that. In an Opinion of 80 pages, which is as much a political as legal analysis of the case, he comes down firmly on the side of the CAP. In his view the Treaty and regulations made under it make it clear that the protection of agriculture, and in this case the ensuring of a proper living standard of sugarbeet growers, has priority over other aims of the Common Market.

*European Court, Luxembourg. Cases 138 and 139/179. Opinion of the Advocate General September 18, 1980, unreported.

Bel Bolide set for success

RACING

BY DOMINIC WIGAN

THERE HAS been no more profitable a guide to the outcome of the 2,000 Guineas over the past 12 years than the Middle Park Stakes but, having said that, I cannot claim that there is a runner in today's renewal of the race looking capable of following in the footsteps of Right Tack, Brigadier Gerard or Known Fact.

This time, the runners look much of a muchness, with only Bel Bolide standing out as a colt with really solid each-way claims. A model of consistency throughout the summer, the Beckhampton juvenile was, without doubt, a deserved winner of the Gimcrack six weeks ago. Always travelling well on the Knavesmire, the American-bred colt quickened to settle the issue approaching the distance and won with a little more in hand of Parkdale than the official length verdict.

A colt already proven in Group I company over six furlongs, Bel Bolide can give Pat Eddery a third William Hill Middle Park Stakes success, following the victories of Habat and Formidable. I expect Bel Bolide to be followed home by Band Practice, one of two Irish challengers. Should either Band Practice or fellow raider Cooliney Prince prove too strong for the home contingent, there is no doubt that Storm Bird will go into winter quarters one of the shortest priced 2,000 Guineas prospects since the war.

Another event to which racegoers will be looking for a useful guide to a major race is the Southfield Handicap. Here, the Tote Cesarewitch favourite, Al Kuwait, meets Fine Tale among others. Al Kuwait did well to wear down Heighlin and Legious under a vigorous ride from Carson in the Reg Day Memorial Trophy on the July course last time out. However, that race was over a considerably longer distance than today's and his Cesarewitch supporters should not be disheartened if he fails to match strides with Beau Reef here.

NEWMARKET

2.00—Milton Diver
2.30—Lingia Lil
3.00—Bel Bolide**
3.35—Beau Reef***
4.10—Perlese
4.40—Gerontas*

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Mr. Benn. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Touche Turtle. 4.25 Jackanory with Instant Sunshine. 4.40 Heidi. 5.00 John Craven's Newsround. 5.10 Blue Peter. 5.40 News.

5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 Yes Minister.
9.00 News.
9.25 Mackenzie.
10.20 The Greeks.
11.10 News Headlines.
11.12 Figure Skating: The St. Ivel Ice International.

All Regions as BBC-1 except as follows:

BBC Cymru / Wales — 10.10-10.30 am I Ysgolion. Hwnt Ac Yma. 2.15-2.35 pm Ffenestri. Dail y Coed. 5.55-6.20 Wales Today. 6.55-7.20 Heddiw. 12.05 am News and Weather for Wales.

Scotland — 10.10-10.30 am For Schools (Around Scotland). 12.40-12.45 pm The Scottish News. 2.40-3.00 For Schools. 5.55-6.20 Reporting Scotland. 12.05 am News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.20 Sportsweek. 12.05 am News and Weather for Northern Ireland.

England — 5.55-6.20 pm Look East (Norwich): Look North (Leeds, Newcastle); Look Northwest (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
9.30 Labour Party Conference.
11.0 Play School.
11.25-12.00 and 2.00 pm Labour Party Conference.
4.50 Open University.
7.25 Mid-Evening News.
7.40 Open Door.
†8.15 "A Canterbury Tale," starring Eric Portman, Sheila Sim and Dennis Price.
10.15 Jack High.
10.45 Newsnight.

LONDON

9.30 am Schools Programme. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 Home Made for the Home. 1.00 News plus FT Index. 1.20 Thames News. 1.30 For Maddie with Love. 2.00 pm Sports Special: Racing from Newmarket, and Golf: The Dunlop Masters Tournament. 3.40 Labour Party Conference. 4.15 The Danedyke Mystery. 4.45 Animals in Action. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames News.
6.30 Give Us a Clue—Telethon Special.
7.00 Telethon: Cavalcade of International stars, TV games, special events and features from Wembley Conference Centre.
10.00 News.
10.30 Telethon (continued).
3.00 am Close: "Sit Up And Listen," with Tony Bastable.

All IBA Regions as London except at the following times:

ANGLIA

9.15 am Jobline (programme which aims to help those looking for employment in the East Anglia region). 12.30 pm The Riordans. 1.20 Anglia News. 4.15 Mumbly. 4.20 Project U.F.O. 5.15 Take My Wife. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Bygones. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.30 Folio. 11.00 Have Girls Will Travel. 12.00 The George Hamilton IV Show. 12.30 am The Living Word.

ATV

12.30 pm The Riordans. 1.20 ATV News. 4.15 Tarzan. 5.15 A Musical World. 6.00 ATV Today with ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 10.30 ATV News. 10.35 "The Greatest," starring Muhammad Ali.

BORDER

12.30 pm Rats Of Tobruk. 1.20 Border News. 4.15 Salvage-1. 5.15 Life Begins At Forty. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 8.00 The Benny Hill Show. 8.30 TV Eye. 9.00 Minder. 10.30 Soap. 11.00 S.W.A.T. 12.00 Border News Summary.

CHANNEL

12.30 pm The Riordans. 1.20 Channel Lunchtime News, What's On Where, and Weather. 4.18 Little House on the Prairie. 6.00 Channel Report. 6.35 Crossroads. 7.00 The Monkees. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.28 Channel Late News. 10.35 Soap. 11.05 Brass in Concert. 11.50 Preview (Martha). 12.15 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 12.30 pm The Riordans. 1.20 North News. †4.15 Crazy Comics: "Nothing But Trouble," starring Laurel and Hardy. 5.40 Police News. 6.00 North Tonight. 6.35 Crossroads. 7.00 Mork and Mindy. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.30 Reflections. 10.35 Soap. 11.05 Thriller: "Dial A Deadly Number." 12.15 am North Headlines.

GRANADA

12.30 pm The Riordans. 1.20 Granada Reports. 4.15 Little House on the Prairie. 5.15 Looks Familiar. 6.00 Granada Reports. 6.30 This Is Your Right. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.30 Edge of Britain. 11.00 Barney Miller. 11.30 What The Papers Say. 11.55 Bluey.

HTV

12.30 pm The Riordans. 1.20 HTV News. 4.15 Salvage—1. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Barney Miller. 7.00 Emmerdale Farm. 7.30 Spooners Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.28 HTV News. 10.35 Our Little Town. 11.05 Have Girls Will Travel.

HTV Cymru/Wales—As HTV West, except: 9.30-9.45 am About Wales. 9.52-10.07 Mwy Neu Lai. 12.00-12.10 pm Owain A'r Olion 4.15 Follow Me' 4.45 Sêr. 5.15-5.20 Cartoon. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 11.05-12.00 The President's Son Of A Bitch.

SCOTTISH

12.30 pm The Riordans. 1.20 News and Road and Weather. 3.40 Labour Conference. 4.15 Sally and Jake. 4.25 Little House on the Prairie. 5.20 Crossroads. 6.00 Scotland Today 6.20 Action Line. 6.30 Down to Earth. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.30 Jobs for the Boys and Girls. 11.00 Soap. 11.30 Late Call. 11.35 Sidestreet.

SOUTHERN

12.30 pm The Riordans. 1.20 Southern News. 4.15 Tarzan. 5.10 Mr. Magoo Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.30 Survival. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.35 Cross-Channel. 11.05 Musical Special. 12.00 What the Papers Say.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 12.30 pm The Wild, Wild World of Animals. 1.20 North East News and Lookaround. 4.15 Dynomutt —The Dog Wonder. 4.45 Salvage-1. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.30 North East News. 10.32 Northern Report. 11.00 Come In, If You Can Get In. 11.30 Soap. 12.00 Portraits of Power. 12.30 am To Have and to Hold.

ULSTER

12.30 pm Stars on Ice. 1.20 Lunchtime. 4.13 Ulster News. 4.15 Little House on the Prairie. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.29 Ulster Weather. 10.30 Counterpoint. 11.15 Soap. 11.45 Bedtime.

WESTWARD

12.30 pm The Riordans. 1.20 Westward News Headlines. 4.15 Gus Honeybun's Birthdays. 4.18 Little House on the Prairie. 6.00 Westward Diary. 6.35 Crossroads. 7.00 Encounter. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder. 10.32 Westward Late News. 10.36 Soap. 11.05 Brass in Concert. 11.50 Preview (Martha). 12.15 am Faith for Life. 12.20 West Country Weather, Shipping Forecast.

YORKSHIRE

12.30 pm The Riordans. 1.20 Calendar News. 4.15 The Adventures of Black Beauty. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Spooner's Patch. 8.00 Benny Hill. 8.30 TV Eye. 9.00 Minder 10.30 Doctor Down Under. 11.00 Kaz. 12.00 The Amazing Years of the Cinema.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London 1458kHz, 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.32 Simon Bates with The Golden Hour (part 1). 10.32 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.32 Simon Bates with The Golden Hour (part 2). 3.32 Peter Powell. 6.32 25 Years of Rock. 7.31 Mike Read. 10.02-12.00 John Peel (S).

RADIO 2

5.00 am News. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S) including Racing from Newmarket. 4.03 Much More Music (S). 6.03 John Dunn (S). 8.02 Country Club (S). 9.02 Alan Dell with Big Band Sound (S). 9.55 Sports Desk. 10.02 The News Huddlines with Roy Hudd. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Handel (S). 10.00 Berkeley, Musgrave, Strauss—Chamber music recital (S). 11.10 Haydn's Op. 33 Quartets. 11.30 Boston Symphony Orchestra Concert, part 1 (S). 12.05 pm Interval Reading. 12.10 Concert, part 2. 1.00 News. 1.05 Manchester Midday Concert (S). 2.00 Fricker in Retrospect (S). 3.05 Hakan Hagegard Song Recital, part 1 (S). 3.45 Interval Reading. 3.50 Recital, part 2. 4.30 Haydn's Op. 33 Quartets. 4.55 News. 5.00 Mainly for Pleasure (S). (‡and mono only from 6.40). 7.00 Talking About Music (S). 7.30 As Radio 4 UK. 9.30 Words (talk by Roy Fuller). 9.45 Music in Our Time (S). 10.50 Round Tower Tales. 11.00 News. 11.05-11.15 Clemend (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.45 Loosely Engaged. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 Stigmata Examined. 10.30 Daily Service (S). 10.45 Story Time. 11.00 News. 11.05 File on 4. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Top of the Form. 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 3.50 Fritz Spiegl's Musical Alphabet. 4.05 Bookshelf. 4.35 Echoes of The Jazz Age by F. Scott Fitzgerald (reading). 5.00 PM: News magazine. 5.50 Shipping forecast 5.55 Weather, programme news. 6.00 News. 6.30 Any Answers? 6.55 It's A Bargain. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Bournemouth Symphony Orchestra concert, part 1: Beethoven (S). 8.25 How Not to Write a Short Story (talk). 8.45 Bournemouth Symphony Orchestra, part 2: Prokofiev (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Fond and Familiar. 12.00 News.

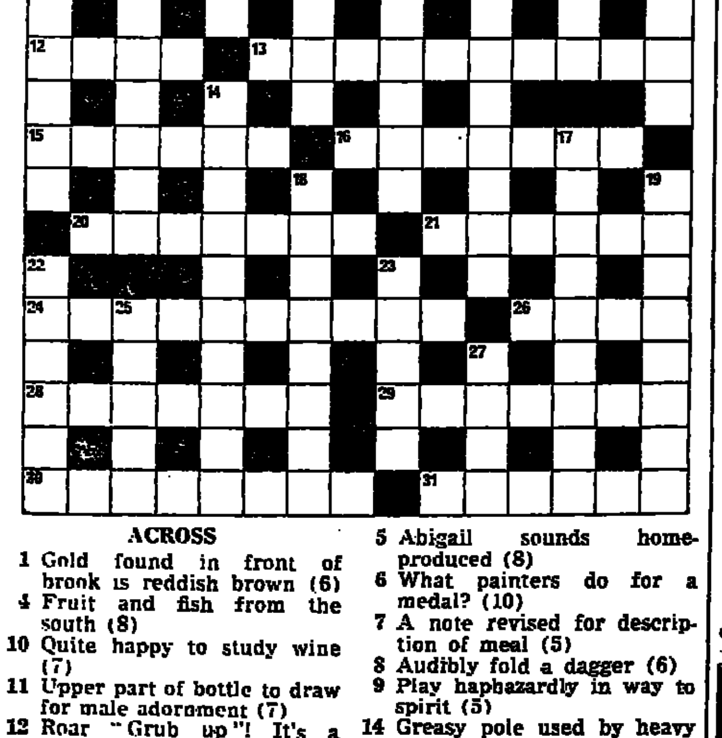
BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Music on The Move. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

London Broadcasting

5.00 am AM—Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 The London Interview. 5.00 Morning Music.

F.T. CROSSWORD PUZZLE No. 4,389



ACROSS

1 Gold found in front of brook is reddish brown (6)
4 Fruit and fish from the south (8)
10 Quite happy to study wine (7)
11 Upper part of bottle to draw for male adornment (7)
12 Roar "Grub up"! It's a large party! (4)
13 Subdued complaints giving rustling sounds from the chest (10)
15 Bird put back to skip about gaily . . . (6)
16 . . . and bird taking morsel to another bird (7)
20 Warm up her type of mixture (7)
21 First mentioned last (6)
24 Tell friend unceremoniously (10)
26 Small two-masted Dutch vessel or smack (4)
28 Wherewithal I butter partly a fish (7)
29 Wrench that causes confusion in the works (7)
30 Swindle French brother and colleague (8)
31 Command to attack an object of care (6)

DOWN

1 Airman and assistant clergyman? Correct! (8)
2 A long seat in feast to note (9)
3 Highland dance drum (4)
5 Abigail sounds home-produced (8)
6 What painters do for a medal? (10)
7 A note revised for description of meal (5)
8 Audibly fold a dagger (6)
9 Play haphazardly in way to spirit (5)
14 Greasy pole used by heavy drinkers? (7-3)
17 Eccentric athlete and smuggler (3-6)
18 One who left a share in stag (8)
19 Maintain a place for private shooting (8)
22 Literally this in Latin is obtained from the lightest metallic element (6)
23 Soft luxuriant fabric (5)
25 Iron left on criminal (5)
27 Over-hasty eruption (4)

Solution to Puzzle No. 4,388

P	U	T	A	W	A	Y		A	B	S	A	L	O	M
E		A		O		O		P		I		E		A
C	R	I	E	R		U	P	A	N	D	O	V	E	R
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ENTERTAINMENT GUIDE

OPERA AND BALLET

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THE ARTS

Paris

Lefort takes over

by MAX LOPPERT

Bernard Lefort, formerly (among other things) director of the Marseilles Opera (1965-1968) and of the Aix-en-Provence Festival (1972-80), officially assumed last month the post of General Administrator of the Paris Opéra. The seven-year period — 1973-80 — of Rolf Liebermann's Herculean labours in Paris saw the transformation of the theatre from a notorious operatic Slough of Despond to one of the most important of the world's lyric stages, with a prestige (and a budget) to match the great eras long past. Reports on this page have regularly chronicled both the successes and the failures (the first complete *Lulu* at one pole and the aborted *Ring* cycle at the other), the Mozart, Verdi, and Strauss works substantiating what is now a broad international repertory and also the insufficiently frequent revivals of French opera — *Pelléas*, *Hoffmann*, *Faust*, *Manon*, and Dukas' *Ariane et Barbe-bleue* among them. Anyone who has encountered the Opéra orchestra or (particularly) its chorus on form will have some measure of the revitalization.

On the debit side must be listed the failure to realise an early-announced Liebermann project, that of holding a Mozart festival in the royal theatre at Versailles; and while the Opéra-Comique has boasted some *notable productions, especially* in the last two seasons, this smaller and artistically more significant of the two Paris houses has been maintained only intermittently in full operation. By conscious intent, the Parisian operatic scene has been reshaped along international lines. Stars have been brought before Paris audiences in luxurious quantity; the full-scale encouragement of native local talent—neither as scarce nor as dubious in quality as is generally believed—that ought to support a healthy operatic institution has often seemed to be missing. The Opéra, as it stands, offers now a ready basis for the development of one of the new Administrator's most valuable aims, which is to restore to health the French *school of singing; the Ecole de* Chant de l'Opéra (with which Lefort has been closely associated since its inception) is now in its third year, and though (as he admitted in a recent interview in *Le Quotidien de Paris*) "*it will take time*—at least 10 years, perhaps more — before *Faust* can be given with a completely French cast," the goal is a worthy one.

Lefort's first season at the Opéra is full of attractions it seems to herald a determination to venture more widely than Liebermann, for the most part, permitted himself. Ronald Crichton will be reporting later this month on the new production of Rameau's *Dardanus*: thereafter the Paris première of *Jenufa* (conducted by Mackerras), *Peter Grimes* (not seen in this theatre since 1948, when it was performed there by Covent Garden visitors), Ligeti's *Grand Macabre* (its French première), and Gounod's *Roméo et Juliette* (with Kiri te Kanawa and later Valerie Masterson) are added to a schedule that also sees new production of *Der Fliegende Holländer*, *Un ballo in maschera*, and *Don Giovanni*. Some time ago a projected *Troyens*, to be produced by Friedrich and conducted by Colin Davis, was quietly abandoned (one would love to have the comments of Berlioz's shade on yet another broken promise at the Opéra); for a spectacular inauguration Lefort provided instead *Die Frau ohne Schatten*, a production dating from October, 1972, the "interregnum" period when he and Daniel Lésur were acting as caretakers *of the Opéra until the* arrival of Liebermann.

Unfortunately, the second performance, which I caught, was also the one to which French television had been invited. Apologies were made for "alterations to the visual appearance" of the production; and were needed; for it soon became clear, as first sight of the *Empress disclosed her prominent* shadow, that the lighting plan had been materially tampered with. There remained indications that Jörg Zimmermann's designs, like those of an operatic Ronald Searle, had aimed at capturing the enchaned exoticism of Hofmannsthal's libretto without fulfilling its *spectacular effects* (*no* dividing bed, no flying fish, no flashing sword, no cataclysm to close the second act). I missed these, as I do at Covent Garden; and still long to see a *Frau* in which every visual requirement *is supplied, for* without the exhilaration of spectacle one tends to question ever more pressingly both the depth and the intelligence of Strauss's response to the fabulous symbolism of the piece.

Mignon Dunn (above) and Gwyneth Jones in 'Die Frau ohne Schatten'

Limited thus (and interfered with by particular circumstances), Nikolaus Lehnoff's production was all the same a theatrical feast—even a wavering Straussian had to acknowledge the sheer zest and energy of the interplay between the five principal roles when these were so vividly taken. Hildegard Behrens was suffering a serious throat ailment; an impressively secure technique guided her through the long evening, with sufficient address to suggest what a vocally rapturous Empress she must be in health. *Until the big address to Barak* at the end of Act 2, I have not admired Gwyneth Jones so much for years. Her Dyer's wife was warm, never shrewish, subtly conceived and boldly sung; then alas! the demand for sustained *heroic* phrases brought back the all-too-familiar chopped phrases, the curdled tone, the massive unsteadiness.

Walter Berry's Barak (sole survivor from 1972) still makes just the right effect; René Kollo (most alert to words of the cast) voiced the Emperor more *strongly than one dared* to hope. And in the pivotal role of the Nurse, Mignon Dunn had a brilliant success (despite a minor cavil about the plain quality of the voice): she glittered with dark glamour and malign wit. French singers took the minor roles ably; a new lyric tenor, Georges Gautier, not only sounded fresh as the youthful apparition but stripped naked with reasonable (if unnecessary) conviction. This orchestra may never produce the suffused, saturated tone ideally required for Strauss; under Christoph von Dohnanyi, a conductor of splendid steadiness of purpose, the playing showed authority in every bar. *Act 3 was extensively cut.*

At the Opéra-Comique, novelty of a kind is on offer in the form of the Paris "creation" of *L'Héritière*. This is the latest opera of Jean-Michel Damase, on a libretto by the distinguished man of the theatre Louis Ducreux; and is an operatic version, in seven scenes and two acts, of *The Heiress*, the much-travelled theatrical vulgarisation (by Ruth and Augustus Goetz) of *Henry James's Washington Square*. Since its first performance at Nancy in 1974, the opera has been doing the French provincial rounds; it deserves a Paris showing in the way that, say, Von Einem's *The Visit* deserved to be given at Glyndebourne: that is to say, it is a "well-made opera," one that rewards good singing actors while never upsetting the expectations of a conservative audience. It keeps the opera machine going—not a very elevated aim, also not an entirely negative one.

Damase has evidently learned his most important operatic lessons from Poulenc; melodic nuggets are carried upon bitter-sweet tonal harmonies, well-shaped to the voices without ever achieving the lyrical flow, the wry warmth and humanity of the model. The opera passes lightly and expertly; leading roles — Catherine Sloper (soprano), Dr. Sloper (bass-baritone), Morris Townsend (high baritone), Aunt Lavinia (mezzo)—are both grateful and flattering. The evening added nothing new to one's experience *of Henry James or even of The Heiress*; the music afforded an essentially decorative experience. Damase conducted, Ducreux produced, a polished staging. As daughter and father Renée Auphan and Marc Vento *were recreating roles* written for them, and gave greatly distinguished performances. Jane Berbié (Lavinia) was a continual delight; as Morris, the Canadian Gino Quilico (son of Louis) left an impression *of eagerly* ingratiating charm.

Covent Garden

Rheingold/Walküre

by DAVID MURRAY

The second, close-order *Ring* cycle is now at midpoint. We have had an interestingly unbalanced *Rheingold*, and a vital, satisfying *Walküre*. There was plenty of vocal strength in the first opera—good Rhinemaidens (imperfectly blended), splendid Giants, and the big, impassioned tones of Patricia Payne for Mother Erda—and Colin Davis continues to find fresh orchestral detail in the score (fine work from the lower strings). Still, with all the revolutionary innovations of the work, it remains bitty enough to need its full-blooded set-pieces, and Davis is oddly shy with them.

A mildly jaunty Entry into Valhalla left us up in the air, in quite the wrong sense (and it followed upon a distracting accident in the course of being murdered, Robert Lloyd's richly sung Fasolt let the Ring drop right off the stage platform, and Fafner had to trudge off home without it).

In fact the central set-piece this time was Loge's quasi-aria. Robert Tear's assumption of the role is a *tour de force*, complete with Wagner impersonation. *He fits Götz Friedrich's view of Rheingold* perfectly, but he made unfair competition for Norman Bailey's darkling, introspective Wotan—the opera is not, after all, about Loge. Shaded by Tear's sardonic *glitter*, Bailey *came into his own* only with *Walküre*: searching intensity in the great monologue, though restrained, and full tragic authority in the final act. As for Gwyneth Jones' Brünnhilde, critical reservations about vocal detail must melt in the face of such burning, eager sympathy, such reck*less generosity of voice.*

Peter Hofmann's attractive Siegmund remains slightly inhibited—*his decorous cries of* "Nothung!" were bemusing — but his phrasing is intelligently *musical, albeit in low relief.* Excellently matched with him, Jeannine Altmeyer's nervily sensitive Sieglinde cuts a bolder line; she rose movingly to her last flights. In every act Davis not only shaped long purposeful lyrical curves, but allowed himself daring — and effective — departures from the received *tempi for some passages.* Friedrich's staging is consistently exciting: where the paraphernalia of his *Rheingold* is still hampering — Alberich boringly invisible in his conning-tower for too long, the gods' procession stretched out haltingly so as not to reach the backdrop before the Entry music ends—*his Walküre* is free and flexible. And still improving: the stage-revolve that used to fracture the Wotan-Brünnhilde showdown now occurs toward the end—*much* better.

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Paris: Théâtre des Champs Elysées

New York Ballet

by CLEMENT CRISP

If the collaboration between Balanchine and Stravinsky has begot great things, no less vivid is the choreographer's response *to the music of Chaikovsky*. Settings of the second and third piano concertos, of the greater part of the third symphony, of the Serenade, of two orchestral suites, and several shorter works, are evidence of his belief that "Chaikovsky composed a great deal of music ideal for dancing." During New York City Ballet's Paris season, Balanchine's *Chaikovsky Suite No. 3* received what I take to be its European premiere.

It is an unusual work, which seems at first to be split in two, its second part—the *tema con variazioni* which is the suite's last movement—having already existed as a ballet since 1947. This *Theme and Variations*, long a gem of Balanchinian classicism, was made for American Ballet Theatre, and was seen in Europe during ABT's early visits, unforgettably danced by Alicia Alonso and Igor Youskevich. (The memory of Youskevich crossing *the stage performing ronds de jambe sautes* entirely vivid still).

In 1970 Balanchine decided to set the three preceding movements—"to listen to them is to think immediately of dancing," he said of the Chaikovsky suites—casting them in ecstatic style. They form a prelude whose link with the diamond-cut Petipa*esque finale is* not immediately apparent. Some commentators have been rather sniffy about them; I found them haunting. They differ in every way from the virtuosity-in-tutus of the theme and variations, which culminates *in a Polonaise* that could well be used as the final burst of splendour for *Sleeping Beauty*, but their mood is dictated unerringly by the drenched emotionalism of the score, and music is ever Balanchine's *guide*.

The opening *Elegie* seems filled with musical echoes of the Vision Scene from *Beauty* in its yearning melody: thus the setting of this section as a nocturnal incident, in which a group of women in drifting draperies, hair floating unbound, feet bare, appear like *visions to a young man, seems* apt. Among them the youth seeks, finds, and loses, a beloved —a role taken with intense feeling by Karin von Aroldingen. The mood is ardent yet impermanent, a recurrent theme in *Balanchine's ballets. In the* following *Valse Mélancolique* the dislocated pulse of the waltz is matched, in a pas de deux for Sara Leland and Bart Cook, by the way the woman forever eludes the man. Leland and *the attendant girls are now in* point shoes, and the succeeding scherzo develops this gradual lightening of the mood and acceleration of the dance tempo. Here the central couple—Darci Kistler and Christopher d'Amboise—are young, and their fresh gifts shine amid the quick dartings of a group of girls. Miss Kistler, a graduate this year from the School of American Ballet, is only 16 years old, but already bright in technique: she is a slender, fast-moving and exhilarating talent, plainly on the brink of fine things.

With the *Theme and variations* the moonlight and long dresses are gone. Brilliance is all in this tribute to the burnished rectitude of the academic manner. Kyra Nichols takes the stage in a blaze of light which is in part generated by her lovely and clear style, her ease in utterance, the flash and sparkle of her dancing. The *role calls for the glassiest* assurance, which Nichols displays in a performance that has both authority and a kind of decorous panache, with nothing forced (neither steps nor personality) and the bravura moments brought off with serene technical elegance.

Her cavalier was Adam Luders. I preferred the appearance at a second performance of Peter Martins, who invested the work with a sense of noble classical mastery. Princely dancing, it illuminated those vistas in the ballet which reveal the Maryinsky Theatre glittering in the distance behind *Theme and Variations*.

In everything during this Paris season, from the Balanchine repertory to Robbins' *The Cage*—which is the second act of *Giselle* cast for predatory insects, with Patricia McBride and Bart Cook giving taut interpretations etched in nervous energy—the precision of the NYCB style was exemplary. Here is dancing pure in its response to music, with choreography passing through the dancers' bodies unadulterated by mannerism. The *company manner* has a purposeful energy, an unerring aim, in what it does, so that it happily encompasses the biggest sweeps of movement and the most transient flickers of detail. It is a troupe whose genius is in part *an infinite capacity for taking* pains with every least moment of its master's choreography.

Elizabeth Hall

Fires of London

No new Maxwell Davies work in Tuesday's Fires concert. (Disappointingly, in view of the *recent Edinburgh Festival* success of the new chamber opera, *The Lighthouse*, its first London performance has yet to be announced.) But few other regrets in the matter of the concert itself: the formula behind *Fires'* programmes may be well tried, but it seldom fails to elicit music-making of peculiar liveliness and strong character.

The *Hymn to St. Magnus* (1972), for soprano and six players, was revived for the occasion. It heads the marvellous list of chamber compositions inspired by Maxwell Davies's discovery of and growing involvement with the Orkneys. It still seems to me the toughest of them—in that concessions of "colour" therein are few, the music moves slowly and in exposed *strands* sparely woven, and the processes of transformation of the basic 12th century hymn are both gradual and of fantastic complexity.

Yet the music achieves, ends *in, great radiance; it leaves* behind a magical feeling of having arrived somewhere entirely unexpected and at the same time entirely inevitable. The knots of rhythmic entanglement, which in the third move*ment* (*the "Sonata seconda"*) attain a frenzied intensity reminiscent of late-medieval isorhythmic music at its most abstruse, are suddenly broken: *in the fourth and final move*ment, the vocal line breaks free, rising in broad spans above a shining, shimmering accompaniment. Under the direction of John Carewe, the playing had both the special freedom of ex*pression and the special rigour* we associate with Fires' performances. A pity only that Mary Thomas could not always find sufficient tonal amplitude for the vocal line.

The first half of the concert, *which had beun with Dances* from *The Two Fiddlers* (delicious violin playing by Beverly Davison) and which ended with the Fires' familiar Chamber Symphony in the account of the Schoenberg *Webern reduction, introduced to* London *Euphoria—a sense of well-being* (1980), for six (b. 1948). An unbroken srtetch of music made of seven linked sections and a coda, it spins out ostinato phrases in tonal shapes (some strongly pentatonic in feeling), and clothes them in limpid, lucent timbres, in a way that seems to herald the marriage of Martinu and Steve Reich. The sound of the music is immediately attractive; whether its sense "adds up," and whether it justifies the title, I shall feel confident to doubt more forthrightly only after *further hearings*.

MAX LOPPERT

Wigmore Hall

Kuijken and Tilney

by ANDREW CLEMENTS

Throughout this week the Early Music Centre is organising a festival, split between the Wigmore and Queen Elizabeth Halls. The programmes cover some four centuries of "early music"; the seekers after the truth of authenticity extend their search even to Haydn and Mozart (including *Eine Kleine Nachtmusik*) at the beginning *and end of the series*. On Tuesday evening Wieland Kuijken and Colin Tilney played a programme of music for viola da gamba and harpsichord which could have served as a demonstration of the virtues of the historically aware approach to concert building.

Effectively, Mr. Kuijken and Mr. Tilney *provided a potted* chronology of the viola da gamba, with an emphasis on the development of a virtuoso tradition. It began with Diego Ortiz and finished with Antoine Forqueray, taking in along the way Christopher Simpson, Marin Marais and J. S. Bach. The line was clearly drawn: the fragmentary, extemporised feel of three of Ortiz's *Recercadas à 3* giving way within a hundred years to the far more elaborate, grander constructions of Simpson's Divisions; the ornate beauty of Marais' Suite transformed *in Forqueray into a full*-blown bravura style straight out of the Italian violin school.

Mr. Kuijken lent a grave, austere manner to much of his playing that was not without many passing beauties. The isolated moments of warm vibrato in Marais' Prelude were picked out and lent upon imperceptibly; the ornaments in the later music were given perfect weight. The virtuosity *demanded* in these works is, by modern-day standards, undramatic, unassuming. It was managed here without a suspicion of strain, while Mr. Tilney, very much in a subsidiary role here, provided a *reliable*, finely graded accompaniment.

Edward Duke

Leonard Burt

Fortune

Jeeves Takes Charge

by B. A. YOUNG

Edward Duke, who has provided himself with a Wodehouse script that involves his playing not only Bertie Wooster and Jeeves but also Uncle Willoughby, Lady Florence, Edwin the Boy Scout, Peggy Mainwearing, Miss Tomlinson and Gussie Fink-Nottle, has sensibly relied for the most part on narrative rather than dialogue. Bertram's dialogue is usually incoherent, Jeeves's confined to polite formulae. The narrative, in which I include the spoken narrative, is what gives Wodehouse's writing its character, and Mr. Duke's script has been very well adapted indeed.

Who but Wodehouse could have written *such a phrase as* "a silence you could have dug bits out of with a spoon"? Or, as we are on to silence, as "an evening when you can hear a snail clear its throat"? Who else can make such use of *cliché?—"To leap at the bell* and ring it was for me the work of a moment." No point in collecting a whole string of them; you can have them all retailed to you with the most complete understanding of their delivery by Mr. Duke at the Fortune.

We are given four stories. The first is about *Uncle Willoughby's* libellous autobiography and how it led to the breaking of Bertie's engagement to Florence; *this is mostly told in* the character of Bertie himself, a tall elegant chap with an eyeglass, an OE tie and an irritating giggle in which the breath seems to be drawn inwards. But Mr. Duke, whose gift for in*stant impersonation is as acute* as his ability for quick changes, may suddenly become the imperturbable Jeeves, with a voice half an octave lower, or Uncle Willoughby himself, with a Morning Post over his face and well-observed Edwardian speech.

Jeeves himself tells the next tale, about how he tricked his employer *into making an* extempore speech to a girls' school and so cured him of any desire for children of his own. This is where we see and hear 12-year-old Peggy romping about and quail under the schoolmistressly tones of Miss Tomlinson. After the interval we move into the world of Bertie's aunts, leading on to the ghastly business of Gussie Fink-Nottle, a lifelong orange-juice addict, presenting the prizes at the local grammar-school after an accidental plethora of alcohol, and to Bertie's *rendering of* "Sonny Boy" and subsequent tap-dance —too well performed, it seemed to me, to remain in *character, though Mr. Duke* may be forgiven for letting us know that he can do things other than the instant impersonation I was talking about just now.

I don't know how it will go for anyone but Wodehouse buffs. Buffs will have a ball; and what's more I am told by the chief of Wodehouse buffs that it's all OK. Strangers to Wodehouse may find themselves expected to rely on too many factors unknown to them. *I* can only suggest that they quickly go out and buy paperback editions of the adventures of Wooster, Jeeves, Lord Emsworth and Psmith to begin with, and then go to the Fortune. Plum (as we lucky ones who knew him say) is reported as having said "Never trust a man *who is not sound with dogs*," and I would add "Never trust a man who is not sound with P. G. Wodehouse."

The swift, immaculate production of *Jeeves Takes Charge* is by Gillian Lynne and the witty black-and-white décor by Claire Lyth and Francis Butler. A special word too for Hugh *Wooldridge's lighting.*

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Thursday October 2 1980

Europe: the easy way out

THERE IS every temptation to play down the significance of the Labour Party conference vote calling for Britain's withdrawal from the European Community: the party leader retains the last word on the manifesto; the next election will not be held for several years; in the meantime the party may modify its position: even if it does not, it may not win the next election; even if it wins, an incoming Labour Government might not take Britain out of the Community. In short, a lot of water must flow under the bridge before yesterday's vote can be translated into action.

Nevertheless, such caveats cannot conceal the fact that yesterday's vote represents a major lurch in the party's stance on the Community.

Hostile

Previous conferences have been more or less hostile either to the principle or to the practice of Community membership, but they have until now stopped short of an unequivocal demand for withdrawal. Anti-marketeers now sense they are running with the tide of popular opinion, and the pro-marketeers will have their work cut out if they are to have any chance of getting the party to adopt a more nuancé position.

By itself, of course, the deceptively simple demand for withdrawal from the Community does not constitute a coherent policy.

The electorate is entitled to know what alternative arrangements a future Labour Government would make in place of Community membership, but on this equally important question the resolution is entirely and predictably silent: predictably because the party is divided between isolationists and internationalists, neutralists and Atlanticists.

To state half the policy is therefore the line of least resistance, but it is also a dangerous exercise in cheap populism, since it fails to enunciate any reasons for withdrawal, let alone address the question of alternative policies.

There are probably three main factors in the unpopularity of the Community with British public opinion: the Common Agricultural Policy, Britain's trade deficit with the Community, and the diminution of what some populists like to glorify as national sovereignty. These factors have become fused in a general notion that Community membership is bad for Britain.

We accept that the CAP is bad for Britain; but since it is also bad on balance for the Community as a whole, the solution lies not in our withdrawing from the EEC, but in making sure that the policy is reformed. Since pressure for reform is building up in other member states, it would be an act of lunacy to leave the Community over the CAP.

Our trade deficit with the Community is not the Community's fault; it is our fault, since too much of our industry is unable to compete with our opposite numbers. Our ability to compete will not be improved by leaving the EEC, and it may well be diminished. It is childish to blame the Community for weaknesses in the British economy which were apparent long before we joined. The one certain consequence of leaving will be to eliminate any chance of securing improved access for our invisible exports, where we are fully competitive.

Only the narrow-minded and the nostalgic take a narrow view of national sovereignty; in a broader view, it is self-evident that Britain is in a stronger position to defend its interests against the outside world if it joins other countries whose essential interests are similar to our own. The appeal to national sovereignty is a broken-backed assertion that we would run our affairs better on our own, an assertion for which the record of the past 30 years offers no support.

Reform

But whatever the merits of the argument, the tide of public opinion and the vote in Blackpool cannot be ignored. Unless public opinion starts to take a more balanced view of Community membership, there is a real danger that this country could find itself in the grip of an unstoppable movement to leave the Community, with or without a referendum.

Public opinion will only change if there are clearer signs that the Community confers quantifiable benefits on this country, and *that* will not be achieved by a public relations campaign by the Government. What is required is a more determined strategy for improving the balance of advantage in our favour, with a profound reform of the Common Agricultural Policy as the most pressing objective.

The U.S. dollar entanglement

THE CONTINUING rise in prime bank lending rates in the U.S., extended by another half point yesterday, should give pause to those encouraged by the recent strong performance of the leading indicators to hope for a strong rebound from the present recession.

The rise can hardly be attributed to unyielding policies from the Federal Reserve Board; the rise of a full point in the official discount rate last week was largely an acknowledgement of what had already happened to commercial rates, and the Fed is reported to have supplied liquidity on a large scale since then. The problem is basically one of loan demand.

The leading indicators are themselves, of course, a compound of real and financial factors, and events earlier in the summer conspired to produce a misleadingly strong performance. The precipitous drop in interest rates after their record peak in the spring was due more to smart footwork by corporate treasurers than any sudden abatement of inflationary pressures.

The very sharp drop in output also showed a quick commercial response to financial pressures, as stocks were sold off. For a time the combined effect of large-scale debt funding and reduced stocks depressed loan demand and the monetary aggregates sharply; and as production edged up again, once stocks had been reduced to the desired level, all the signs suggested a strong recovery.

Fervour

Subsequent events have shown that the whole drama was greatly exaggerated. The underlying problems of the real economy have not been transformed by a few weeks of high interest rates, and in the financial markets the reactions in both directions seem to have been overdone. Bond prices have now given up more than half the ground they regained after the March disaster, the monetary aggregates are for the moment alarmingly far above the target range, and the market in housing finance—the most reliable harbinger, in past cycles, of a sustained recovery—is once more unable to attract anything like adequate funds.

The autumn correction thus marks a return to reality in the financial markets. There is no reliable sign yet of any fall in the underlying rate of inflation, which has on the contrary recently been exacerbated by a drought which has sharply reduced farm output. Restructuring in the vast motor industry has so far added more to demand than to saleable output.

Meanwhile, fiscal policy appears to have been moving in the wrong direction. Rising costs in the public sector have pushed the Federal deficit up to an annual rate of $85bn in recent months, nearly three times the Budget objective. This is only partly due to the reduced outlays and higher spending which have resulted from the recession. The Carter administration has proposed a substantial tightening for the fiscal year shortly to begin; but tax cutting fervour in Congress and in the Presidential campaign has spread fears in the markets of another spendthrift year.

Volatile

The question which now concerns financial markets in other countries is whether the present rise in rates has yet gone far enough to get the economy back on track; while America's trading partners will be equally concerned about where that track is likely to lead the real economy—whether the recovery will be fast or sluggish, sustained or faltering.

The course of the real economy can be forecast if not with confidence, then at least with a good deal more conviction than the course of interest rates. The unhappy conclusion must be that there is still a great deal of spadework to be done before growth can be reliably resumed.

The implications of this picture for credit markets are that the rapid growth of demand which has resulted from the turn of the stock cycle may soon revert to a more normal rate; the relative firmness of the dollar which has already resulted from the rise in rates will also tend somewhat to damp activity and credit demand.

However, the techniques adopted by the Fed for the last year lead naturally to highly volatile rates. Whatever the trend, the ride is likely to be bumpy.

ECONOMIC VIEWPOINT

History is far from bunk

BY SAMUEL BRITTAN

THE ONE economic innovation for which the present British Government has any chance of being remembered is for the medium-term financial strategy unveiled in the 1980 Budget. If that is to be allowed to go by the board, it will become just another run-of-the-mill Conservative administration, remembered for its pre-occupation with guns, truncheons, and nuclear fall-out shelters.

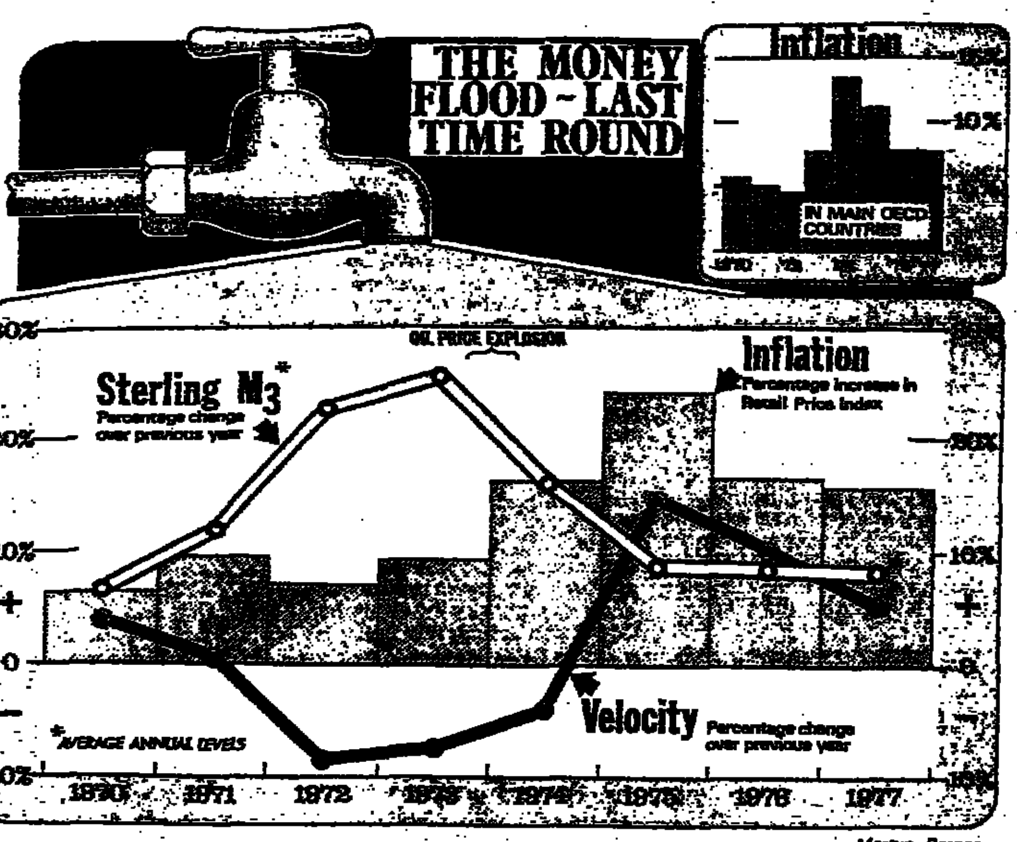
Contrary to much of what is written, the strategy is still far from dead. But its future could well depend on the exact nature of the statement at the end of this month or the beginning of next, announcing the 12-month monetary target for the period up to next October.

If this turns out to be purely a short term statement, ignoring both the overshoot that has already occurred and the four-year plan published in the Budget Red Book, one can say goodbye to all chances of a new approach.

The biggest enemy of the strategy is the pre-occupation with technicalities. Those who are encouraging the Prime Minister to concentrate on changing the machinery of control to something called "the monetary base" are the unwitting allies of those in the Bank of England who tried to kill the strategy in the first place. The latter group would like nothing better than to reopen the debate on which definition of money to use and which control mechanism to apply.

The job of explaining the financial strategy has had to depend far too much on a handful of outside commentators and economists—with the exception of a very few lectures by the Financial Secretary. Indeed, some of the writers who are avowedly sceptical of its

> Monetary targets are to be viewed as a regime, like fixed exchange rates or the gold standard, rather than as a detailed blueprint for macro-policy . . . The ultimate regime would involve a more or less steady rate of growth of the money supply. The proposed transitional path, in which the trend rate of growth of money supply is reduced by 1 per cent a year, is admittedly a bit arbitrary, but the exact determination of the target is regarded as less important than adhering to whatever target has been fixed.



Martyn Barnes

The worst of all worlds

chances seem to understand it better than the monetary technicians.

For instance, the widely-quoted and highly critical article by Professors Matthews and Reddaway in the last Midland Bank Review explained the underlying reasoning rather well in the following words:

"Monetary targets are to be viewed as a regime, like fixed exchange rates or the gold standard, rather than as a detailed blueprint for macro-policy. . . . This regime is hoped to supply an anchor for the absolute price level. . . . The ultimate regime would involve a more or less steady rate of growth of the money supply. The proposed transitional path, in which the trend rate of growth of money supply is reduced by 1 per cent a year, is admittedly a bit arbitrary, but the exact determination of the target is regarded as less important than adhering to whatever target has been fixed."

Earlier, they remark: "The effectiveness of the monetary targets is seen as depending largely on the general belief that they will be observed over a period of years. . . . They have been stated so uncompromisingly that Ministers can scarcely abandon attempts to achieve them."

The crucial difference is between a policy regime in which it is known that there will be no monetary accommodation for wage push, oil price explosions or other shocks and a regime where it is believed that they will be accommodated. Under fixed and known rules such explosions will be able to generate only short term and temporary inflationary boosts.

Furthermore, the knowledge that a rigid monetary regime exists will reduce the frequency, intensity and duration of many of these shocks. This applies both to domestic union wage push and the secondary domestic forces by which external shocks such as oil price increases are amplified.

It is this aspect of a long-term regime, which the so-called practical monetarists in the Bank of England—who want to put all the emphasis on flexible targets for the next six months, and to treat bygones as bygones—fail to grasp. If we followed their siren songs, we would be throwing away the effects on inflationary expectation of a credible monetary regime and be left mainly with the immediately depressing effects on output, thus obtaining the worst of all worlds.

A belief in the financial strategy in no way depends on viewing inflation as the ultimate horror. Nor does it depend on downgrading employment and growth. But it does depend on a profound scepticism about the ability of governments or central banks to spend their way into full employment. This is a matter which Mr. Callaghan explained with great eloquence in his speech to the Labour Party Conference of four years ago—so much better than this year's performance.

This being so, the best contribution that financial policy can make is to provide for a price regime which is as stable as possible. In other words, to avoid adding government-induced inflationary (or deflationary) shocks to the unavoidable real shocks arising from, say, energy supply changes or Middle Eastern wars. Surely, one does not need to labour the point that stability within a 0 to 5 per cent inflation range is both more desirable and easier to maintain than stability around a 20 per cent rate?

Control of one particular block of financial assets which happen to be defined as money is not, of course, an end in itself. The object is to control total spending—or money times velocity. This is measured by

Fall in velocity soon reversed

the national product at current market prices; and I would have preferred the strategy to be stated at least partly in these terms. So far from this being a new thought or change of emphasis the idea was expressed in an Economic Viewpoint article well before the introduction of monetary targets by Mr. Healey in 1976.

A businessman's term to express what has to be controlled would be "the state of the market." This expresses the fact that not merely is total turnover now increasing fairly slowly, but that it is being won with difficulty at the expense of profit margins; and that its maintenance depends on keeping costs under better control. It is not a policy that the business community can be expected to like; and it is not surprising that it should turn sour when the going becomes rough.

Seen in these terms, there is no puzzle whatever about the combination of monetary excess and the intense squeeze that business has been experiencing. Anyone who has looked carefully at British monetary figures knows that the velocity of circulation can vary a great deal in a period of two or three years. (I always think of Mr. Peter Walker when velocity is mentioned. No matter how many charts I insert on the subject, he still asks: "What about velocity?")

Nor is there any mystery about why velocity should be contracting. The squeeze has come from a higher real exchange rate which has put intense pressure on profit margins. The result is that newly created money has been tied up in stock finance, extended trade credit, or even in meeting current losses, rather than increased turnover.

Unfortunately, however, we cannot leave it there. Every episode of changing velocity has its own individual explanation. The 20 per cent fall in 1971-74 reflected the fact that most of the monetary creation during the Heath dash for growth went initially into the property market and speculative stock accumulation. Then as now the friends of the Bank of England were saying that the monetary excess was a statistical illusion to be explained away by technicalities.

But sure enough, the fall in velocity soon reversed itself, and the new Labour Government of 1974-75 found in the pipeline an inflation rate of 24 per cent. Just in case anyone thinks that this was all due to the first oil-price explosion, I have inserted a chart of the average inflation rate in the seven main industrial countries, which was about half the British rate during the worst of the oil crisis.

To come back to the present: in the 12 months up to this August, Sterling M3 grew by 18 per cent, or by 9 per cent more than the official target measured from the middle of the range. The distortions of the

Ambiguity of 'base drift'

corset make it difficult to say exactly when the excess occurred. Mr. Gordon Pepper of Greenwell's presents a plausible case that most of it occurred in the last few months.

If the "water under the bridge" school prevails, and no attempt is made to mop up the excess money, then at some time or other velocity will recover and there will be another inflationary explosion. This will be associated, of course, with a fall in sterling, which will be far less popular when it occurs, and far more difficult to control, than those now lobbying for it suppose.

Whether the inflationary explosion occurs before the end of 1981 or 1983, is beyond anyone's powers to predict. The supposedly rigid 18-24 months' lag between money and prices is a pure man of straw invented for guying purposes by the opponents of monetary control.

Nor is there any escape through the slogan "Sterling M3 is not enough." The measure of Private Sector Liquidity, known as "PSL1" which includes bills and local authority and finance house deposits, rose by 17 per cent in the last 12 months, an overshoot of 5 per cent. Even the widest measure "PSL2," which also includes building society deposits and national savings, rose by 14 per cent, giving an excess of 5 per cent. Moreover, we do not know how much more is to come before the unwinding of the corset distortion is complete.

Even that is not the end of it. For, if a monetary overshoot in one period is treated as "water under the bridge," what assurance is there that future excesses will not be passed over in the same way? The wider meaning of the strategy is beginning to be understood after much delay and pain by those who settle pay in the labour market. Yet just at this time, a signal would go up saying that all the trouble had been for nothing and that cost push would, after all, be quite likely to be accommodated by monetary expansion and currency depreciation. Thus, all the recent hard-won gains would be thrown away and single-figure wage settlements would be for one winter only.

The philosophy of water under the bridge is known in the U.S. as "base drift." It means that a series of low targets is translated into large actual increases by continually rolling the target forward without compensating for overshooting in the past. This, of course, is a general arithmetical property of rolling targets, rolled forward in the wrong way, and is not confined to money or economics. It is maddening that the expression "base drift" contains the word "base," which is also the name of one particular technique for controlling the money supply. Were it not for this unfortunate ambiguity, the title of this article would have been: "Stop base drift at all costs."

There are numerous ways of doing so in practice. Let us take the excess of 5 per cent shown in the growth of the widest measure of liquidity. This will have to be absorbed over the remaining 3½ years of the financial strategy. One could make a start by reducing the target range from 7 to 11 per cent to a new range of 6 to 10 per cent in the next 12-month period, and explaining fully the logic of the reduction. But it would be much more imaginative to aim for the lower end of the target range and say so. This would enable the Government's strategists to take advantage of a period when interest rates are likely to be falling to get back on course fairly quickly.

Both the words and the figures of the next monetary statement will matter. Although one cannot avoid altogether horrible technical terms like "base drift," the ultimate test will not be technical at all. It will be whether the Government is still seriously committed to a new monetary regime or whether it is just muddling through and hoping for the best. In which case, the whole *raison d'être* for this Government disappears altogether—unless you really want the fall-out shelters.

MEN AND MATTERS

Good relations in the U.S. style

Eric Silvester believes he is unique. Although there are doubtless many who combine duties similar to his with other responsibilities, he thinks he is the only executive in Britain to bear the title of investor relations manager.

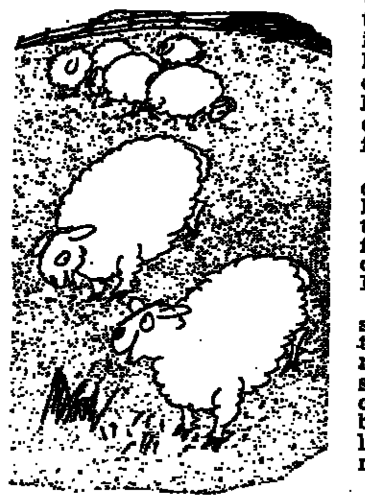
He tells me, however, that he will be delighted to have his singular claim challenged and welcome those in a similar position to a new club, the Investor Relations Society, which was inaugurated last night by Stock Exchange chairman Nicholas Goodison.

Link man between the BOC International Board and the company's shareholders, and freshly installed as the society's first chairman, his aim is ultimately to shape the new group into a body as influential as the U.S. National Investor Relations Institute. Established 10 years and with officers from some 80 per cent of the companies in the Fortune 500 on its roll, it is recognised as a force in industry and with both Congress and the Securities Exchange Commission.

Starting modestly with a circular around the top 100 companies in Britain, the society's steering group was well content with the turnout of 40-odd specialists at the launch to hear Silvester expounding.

"Every company has investor relations," he told me, "but in Britain they are sometimes conducted in a lackadaisical way." The result is that while in the U.S., where the specialists are well-established and communications are good, share prices react in a "sound way," in Britain we tend to have "biased markets."

"Our aim," he added, "is to make sure the top companies get the market rating they think they should have."



"The French have done us a favour—much better to be eaten as a sheep than a lamb."

Oeuf-beat

Make no mistake, when it comes to *la pomme plastique* and the squabble dressed up as war over lamb exports, I can rail with the best of them against the fiendish French. But in the interests of, as our neighbours have it, *le fair play*, I feel obliged to observe that the British have their own ways of compensating for the affronts from across the channel.

Take, for example, the case of eggs. British dockers have lately been taking hundreds of them and, in their butter-fingered way, dropping them all over the quays of southern England.

A month ago, following pressure from British egg producers, the Ministry of Agriculture ruled that instead of being shipped directly to distribution centres, imported eqqs should be stopped at the docks, unloaded, checked, and where necessary, re-graded.

The French and Dutch are naturally cross over the effect on their slender margins of delays lasting up to three days. But since the UK is entitled to dockside checks, there is little they can do. They are angriest of all about the dockers' ungentle handling of their most delicate export. One Dutch exporter is even suing for compensation.

"I know of some cases," says my aggrieved French informant, "where a whole lorry-load has been broken."

Not wholly unsympathetic to the French appeals, the Ministry has had a quiet word. Things are a little better now. At least they have stopped throwing them around."

Vin guard

More in puzzlement than anger, a delegation of French food manufacturers left Portsmouth this week after a most instructive meeting with the port authorities about bringing in new specialities to tickle our palates.

A measure of confusion arose, I am told, over the special interest shown by the customs man in plans to ship canned *coff au vin*. The manufacturer, at first believing his product was so impressive that the official wanted the recipe to try at home, offered to post him details.

But our man was interested only in how much wine the cans contained, so he could charge the proper duty. Unable to impress on this barbarian that most, if not all the spirit is driven off in cooking, the bemused exporter left for home wondering how on earth he was to fulfill the excise officer's demand for a precise measure of alcohol content in litres per 100 kilos.

In the dark

City observers are becoming somewhat piqued at the attention Mrs. Thatcher pays to foreign banking experts in her quest to find a replacement for Britain's creaking methods of money supply control.

Professor Karl Brunner, the Swiss-American monetarist who favours strict control of bank reserves and freely floating interest rates, is already known to have hit it off well with our leader. After impressing the Prime Minister with monetary logic when he met her in Switzerland in August, he was prominent in the posse of foreign banking brains invited to No. 10 this week for tea, biscuits and a chat about M3.

Also included in the party were experts from the Swiss and West German banks as well as an adviser to the Bank of Italy.

Anxious to dispel any impression that the "hard currency" central banks have a monopoly on monetary virtue, city pundits point out that both the Swiss and Germans drastically exceeded their money supply targets in 1978—and the Swiss National Bank was so chastened by the experience that it failed to set a target at all last year.

Grip and bear it

"Abwood," boasts the natty aphorism on the frontispiece of this machine tool company's annual report, "makes more of a man's ability." Of its vices, it announces on page four, "we have a gripping tale to tell."

Gripping indeed, for on page three the new chief executive Geoffrey Suckling retails a sorry account of "serious deficiencies in the company's administration," and the sacking of managing director Alan Peck.

Not to worry, though, as the corporate plug at the foot of the page proclaims: "Abwood vices—we have a firm grip on the problem."

Benn dictum

Spotted on a Blackpool wall this week: "Re-nationalisation is only the thin end of the Wedgie."

Observer

Robert Cottrell looks at the fiercest squeeze on publishers for 50 years

A story of high costs and poor profits

BRITISH book publishers are experiencing their fiercest squeeze in 50 years. High production costs and the strength of sterling in traditional export markets have had a serious impact, while public spending cuts loom at home.

There is little that the industry can do about the recession. But it hopes that, when the upturn comes, it will have reduced its exposure to the factors—some the direct result of the post-war growth—which have left it so vulnerable.

The position is, for most publishing houses, uncomfortable but not desperate. There are about 9,000 publishers in Britain, of which only the largest are public companies, either in their own right or subsidiaries of publicly-quoted groups. It is these larger companies which tend to have the greatest exposure to export markets where the damage has been most conspicuous. Their results have received the most notice by virtue of their public status.

Publishers which have recently reported poor profits figures include Penguin (like the Financial Times, a subsidiary of S. Pearson held through Pearson Longman). Its first-half losses multiplied from £478,000 in 1979 to £1.624m in 1980, although this is partly because of a change in the status of a U.S. subsidiary, Viking Press.

BPC, formerly the British Printing Corporation, with a 1980 interim loss of £6.5m, pointed to "continuing difficult trading conditions" in its publishing division, which made a trading loss of £1.48m against a 1979 interim loss of £150,170. The publishing and bookselling division of Pentos, which includes the Ward Lock and Marshall, Morgan and Scott imprints, reported earlier this month an interim trading loss of £154,000 against 1979's £21,000. Full year profits for 1979 from this division had fallen to £959,000 compared with 1978's £1.72m.

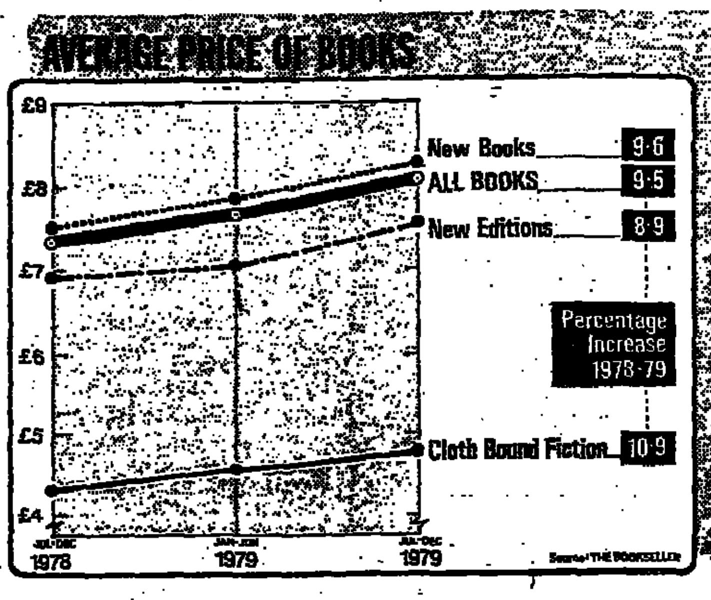
Among smaller publishers reporting for the year to March 31, 1980, Routledge and Kegan Paul, which employs 120 people producing a list this year of 240 titles, saw profits fall back from 1979's £367,587 to £241,000 on turnover up from £3.7m to £4.1m.

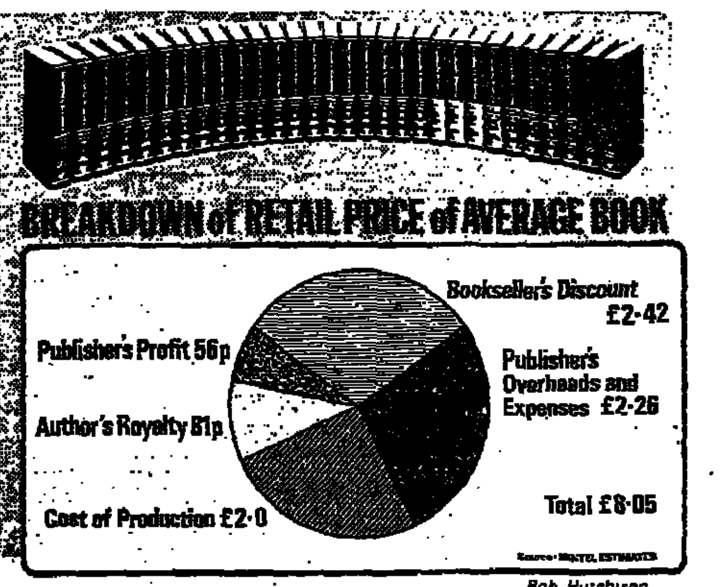
With substantial lags in reporting times for both industry statistics and company results, it is difficult to be precise about current year trends. But, according to Mr. Clive Bradley, chief executive of the Publishers Association "most views are that the second and third quarters have been pretty bad for both export and home sales."

The recession has been cruelly felt in an industry which, despite popular concern about the apparent erosion of literacy and dominance of the electronic media, has tripled its sales in real terms over the past 30 years. In current prices sales have risen from £37m in 1950 to almost £600m. According to figures produced by The Bookseller magazine, almost 33,000 new titles were published in 1979, against 11,738 in 1950. The industry has also traditionally been a strong exporter, with about a third of production going overseas.

Publishers are, in the main, optimistic people, and the view of Mr. Tom Rosenthal, managing director of Secker and Warburg is that "with the appropriate belt-tightening, one can publish one's way out of it." Heinemann, which owns Secker and is in turn part of the Thomas Tilling Group, saw 1979 trading profits fall to £3.4m from 1978's £4m after start-up expenses of a book club, Nationwide, in which it is a participant.

An optimistic sign for those who, like Rosenthal, believe in





Bob Hutchison

the fundamental health of the industry came recently from 1980 interim figures reported by William Collins, Britain's largest publisher. The company turned back from a 1979 first-half loss of £828,000 to a comparable 1980 profit of £175,000. But to swim against the tide, Collins reluctantly took the kind of action which others may yet have to imitate.

It cut 550 British jobs, mainly in its Glasgow manufacturing division, closed certain UK and Australian interests, and provided for the anticipated closure of a loss-making U.S. subsidiary. The total bill of £3.1m was offset by a sale-and-leaseback deal on freehold properties which brought in £3.2m.

According to Cambridge Econometrics, the forecasting group, there is little short-term cheer for the publishers. It forecasts—for the whole print and publishing industry—a 4.9 per cent downturn in demand this year, 1 per cent more in 1981, before a 0.4 per cent upturn begins in 1982. From 1983 to 1986 the forecasters see 3.1 per cent average annual growth. The worst of it will, say the forecasters, be felt by book publishers. Employment in the whole industry is expected to contract by 12.6 per cent over the recession period.

The roots of the book industry's present difficulties go back almost as far as one cares to look. Mr. Michael Geare of the Bookseller sees a structural problem arising in the post-war years, when print runs for moderately successful novels bounded up from a typical 750 to 2,000 copies. The publishers were then happy to contain prices instead of seizing an opportunity to take extra marginal profits. So, although book prices have rarely fallen much behind inflation, margins in an increasingly overcrowded market-place have become uncomfortably tight.

That tightness is keenly felt by Britain's 8,000 new book shops. The average net margin of those leading book shops in the Booksellers' Association "charter group" is only 3.5 per cent, low by consumer durable retail standards. The alternative distribution channels—mail order and book clubs—it is felt in the publishing trade, do not threaten a further squeeze on the shops.

The clubs, accounting for perhaps a fifth of sales, are heavy advertisers, heightening public awareness of both particular titles and the desirability of book ownership. And, though they may undercut the shops, the additional print runs for the clubs helps keep down the price to the shops. The largest club is Book Club Associates, a joint venture of Doubleday and W. H. Smith.

In the past 18 months three factors have been particularly responsible for the publishers' headaches: higher production costs, higher sterling, and public spending cuts.

The high costs of printing in Britain are now well known. On an index of production costs produced by the Publishers Association, with the UK at 100, other European printing costs are: France, a variable 58 to 100; Spain 64; and West Germany 77. Composing costs on the same basis are Hong Kong/Singapore 50; India 65; and America 64. Even allowing for freight costs, a 25,000 print run dictionary costing £8.30 per copy to produce in Britain could be produced for £4.69 in the U.S. A 50,000 print run book quoted in the UK at £2.34 per copy could be undercut in the U.S. by 45 per cent.

In the rather relaxed world of the moderately-sized British publisher, it is a good deal more comfortable to motor out to the Home Counties to check on the progress of a page than to do business with Hong Kong.

But as economic pressures build up nearly a quarter of all books published in Britain are now being printed abroad and this figure is rising.

But there are, says Rosenthal, encouraging signs that British printers want to make a fight of it with their foreign counterparts. While he concedes that an "appreciable" proportion of Secker's work goes abroad, he notes that "we are getting prices and service (at home) which we were not getting a year ago."

The problems of exporting books whose price, already boosted by high production costs, is further magnified by the strong pound, are considerable. In mid 1979, at constant 1972 prices British domestic book prices had fallen about 7 per cent in real terms over the eight-year period, while export prices were 22 per cent higher. Over the same period, according to the most recent Publishers Association figures, home sales were 3 per cent up in real terms, while exports were 8 per cent down.

As a result, where 10 years ago British publishers made 44 per cent of their sales by value abroad, this had shrunk to 33 per cent by 1979, and there can be little doubt that with the strengthening of sterling this trend has continued.

In the home market, fears centre on the effect of the Government's professed determination to cut public spending, with particular recent emphasis on the local authority level. It is estimated that 45 per cent of all book purchases in Britain are made with public money—either directly by public institutions, or indirectly by persons receiving government support, such as students.

The provision of books by education authorities has become a contentious issue. In a recent Commons debate, Mr. Neil Kinnock, the "shadow" Education spokesman, claimed that some pupils had so few books that they were reduced to drawing lots for them. Mr. Mark Carlisle, the Education Secretary, disputed this and said that "cuts in the provision of school books should be the very last in the order of priorities of any well-managed proper-thinking educational authority."

According to the Educational Publishers Council, books account for less than 1 per cent of educational spending. So this is an area which, with such Ministerial encouragement, should expect insulation from general economies. In fact, says the EPC, the number of school books bought in the first quarter of 1980 has shrunk from 7.5m to 6.5m—a decline of 13 per cent.

The real casualties of the current recession have been the minnows—the gentlemanly end of the profession, setting up with a little capital and much enthusiasm. Mr. Stephen Swaden, a specialist liquidator employed by Leonard Curtis, the accountants, is currently handling two companies which went over the edge. The classic failures, he says, are "100 per cent optimists who don't believe in things like economic climates, but believe in publishing and printing pretty books."

For the larger and more rugged members of the publishing fraternity, the blueprint issued by Mr. Peter Mayer, chief executive at Penguin, to his staff is the order of the day: "less staff, less titles, less overheads, less stock."

"Anyone who pays attention to professional forecasters is heading for disaster," says Mr. Rosenthal. Those prepared to take that risk must budget for a couple more gloomy years. In that period comes the opportunity to reduce printing costs by moving abroad or by waiting for better deals at home. Foreign publishers have failed to gouge a markedly larger chunk out of the UK market. The Government does not want education authorities to cut spending on books. The years beyond look more than a little brighter.

Letters to the Editor

Currency futures

From Mr. G. Ranald

Sir,—The introduction of a financial futures market into London (September 30), although bringing with it a whiff of Chicago, Middle West and gun smoke, must be welcomed for the simple reason that any extension of a market place must eventually produce a more efficient system for future price evaluation.

What concerns me is that the City working party in its paper on the new financial market has proposed that there be currency contracts in U.S. dollars against sterling, Deutsche Mark, Swiss franc and Japanese yen. Agreed that this is commendable, albeit lacking in four other currencies readily tradeable on the international monetary market in Chicago, but why not trade the pound sterling against other currencies?

This Government abolished exchange control just under a year ago and in so doing made a bid to restore the pound in the eyes of the world as an international currency. Why should the City seek to reinforce the U.S. dollar as the reserve currency by duplicating that which is already provided?

G. C. Ranald.
54, Pall Mall, SW1.

Fundamentalist politics

From Dr. C. Phipps

Sir,—Your perceptive analysis (September 29) on the condition of the Labour Party should be cause for concern to everybody in the United Kingdom and especially to commerce and industry. A leader in very similar terms could equally have been written about the Conservative Party and indeed you have not been slow to point out the damage currently being wreaked by the Government's policies.

The tragedy is that both parties in their failure to solve our continuing economic crisis have retreated further and further into fundamentalism. No individual, family or company would dream of running its affairs on the basis of fixed dogmas clung to independently of events. If one adds to this dependence upon dogma the fact that both parties are deeply split, the reasons why many of us are now working actively for the creation of a new political force in Britain become evident.

The real problem with fundamentalist politics is not that they do not work, but that their implementation increasingly deprives us of our basic freedom. Liberty is as much under attack at the moment from one side as the other and it will take radical new policies to rescue us from this threat. To date most of the debate concerning the creation of a new political party of the radical centre has been carried on by politicians; however, it is of the utmost significance to the health and freedom of the British economy and this must include industry and commerce.

The kinds of policies required should recognise both that the under-privileged should be protected and our national wealth properly distributed at the same time as the creators of wealth are properly rewarded. Productive industry and commerce, both public and private, have the essential role to play in this process. So far they have played little role in the debate about the formation of a new political grouping. It must be in their interest to enter into it as soon as possible.

(Dr.) Colin Phipps
Mathon Court,
Mathon, Malvern.

Avoid woolly thinking

From Mr. J. Bourlet.

Sir,—Mr. J. H. Pogmore (September 30) points out that firms are now borrowing extra money just to pay the interest on previous borrowing, that this causes a "cash flow" problem and that the alternative is to go out of business. He concludes that interest rates must be cut and tired old prices and incomes policies tried all over again.

But his "problem" is an illusion—and the trick in seeing through it is to consistently think of money in real terms. If a firm starts the year with "x" borrowings from the bank and pays 20 per cent interest out of further borrowing during a period when inflation is running at 20 per cent: then, in real terms it is no more in debt at the end of the year than it was at the beginning! Furthermore, any interest rates over about 3 or 4 per cent only occur during times of inflation and that means (by definition) that viable firms can increase prices in line with inflation thus solving "cash flow" problems of this sort.

Of course inflation impacts differentially between firms and some firms would go bankrupt if inflation ceased and the capital subsidy which inflation confers abolished. But that is a separate subject and in the meantime we should avoid woolly thinking about nominal interest rates.

James Bourlet,
26 West Square, SE11.

Town Hall autonomy

From Mr. T. Sharpe

Sir,—Your correspondent Robin Pauley (September 24), while drawing attention to the need for greater efficiency in local government, shows an unwarranted optimism in suggesting that the local authority management services and computer committee and the district audit service will together provide the key to lower costs and better service.

On the contrary, it is arguable that excess is built into the present system: local authorities spend money they do not raise and can only be held to account, if at all, by the district auditor or by a legal action brought by a ratepayer. Both these procedures were designed to detect and prevent illegality and irregularity.

Now, while under certain circumstances waste can constitute illegality, it need not always be the case that this is so; indeed it need never be the case. It is true that a Department of Environment Circular of 1973 drew auditors' attention to their powers in the face of waste and mismanagement but the fact remains that a challenge to local authority accounts, in a serious matter, in the absence of manifest illegality, is a procedure fraught with problems and is politically contentious.

The result is twofold: a reluctance on the part of the auditor to challenge accounts, and if they are challenged officials are allowed to defend their inefficiency, if such exists behind the inevitable battle between the Department of Environment on one side and the local council on the other.

In the light of central Government's very deep involvement in the finances of local authorities and in the absence of any serious scrutiny by Parliament there is much to be said for implementing the recommendation of the Expenditure Committee in its report on the Civil Service, namely, that the district auditor service should be independent of the Department of Environment and placed under the supervision of the Comptroller and Auditor-General. The Comptroller would then be in a position to draw examples of mismanagement and waste to the committee's attention in much the same way as he presents the accounts, and his comments on them, of the central departments and other bodies to Parliament.

The Public Accounts Committee has long been the most effective source of information about the efficiency of central Government: it is somewhat anomalous that it should not have general oversight over the very large volume of public expenditure voted to the local authorities.

In addition proposed legislation, notably the Planning and Land Bill, will create very wide powers in favour of the Secretary of State, most of which will have financial implications for local authorities. The only way that Parliament will obtain any information about the effects of the exercise of the Secretary of State's discretion will be via the detached and informed questioning of a major Parliamentary committee.

The change suggested above will have the effect of enhancing local government efficiency, improving its accountability for substantial sums voted by Parliament, and at the same time improving the Secretary of State's answerability to Parliament. It will no doubt be seen as yet another nail in the coffin of local government autonomy, but in my view there can be no real autonomy without a much greater degree of financial responsibility, and to achieve this a reform of local taxation will be needed. But that is another story.

Thomas Sharpe,
Wolfson College, Oxford.

Value for money studies

From the Chairman,
Working Party on Local Government Finance and Expenditure,
Confederation of British Industry

Sir,—In his article "Time to call in the efficiency experts" (Financial Times, September 24), Robin Pauley points out that local authorities make very little use of the local authority management services and computer committee to help them assess the efficiency of their operations.

The CBI has for long been advocating that councils assess their expenditure by calling in outside agencies to conduct "value for money" studies to ascertain whether they are conducting their affairs in the most efficient way possible.

The advantage of having an independent outside organisation to carry out this exercise are self-evident: the ratepayers — particularly business ratepayers who are contributing so much money without having any say in how their money is spent—will have a great deal more confidence in the results of such a study if it comes from outside auditors than if it is an entirely internal exercise. The Cheshire "value for money" study is a case in point.

The CBI has been issuing distress signals for some time about the current high level of business rates, and about the prospect of a further supplementary rate levy being imposed in the near future. Businessmen are not looking for any reduction in the level of services provided by local authorities. We are simply saying that the same services could be provided at lower cost to the ratepayer. Only by carrying out surveys into the efficiency of their departments can local authorities establish where they are truly giving value for money, and where the same services could be provided for less money.

M. E. Davies.
CBI, Centre Point,
103 New Oxford Street, WC1

Local authority efficiency

From the Director of Housing Southwark Borough Council.

Sir,—I have read with interest Robin Pauley's article on September 24. I know that it is popular at this time, both in the political and journalistic worlds, to attack local authorities but I was disappointed that the Financial Times should have joined in this attack and, in particular, for the sweeping statement that local authorities currently make very little use of management service organisations. I am convinced that efficiency is essential in all types of organisations and this must include local government.

Amongst other matters, I am responsible for the direct labour organisations in Southwark and long before the Government considered legislation I was convinced that any such organisation should be on a full trading account and in direct competition with the private sector. With this in mind I appointed consultants to examine and reorganise the existing organisation and to make it cost-effective and accountable in both the contract division and the maintenance division. I am pleased to say that this work is nearing completion after three years and is demonstrating considerable savings to the authority by the employment of direct labour rather than private contractors.

In view of the Local Government and Planning Bill and the requirements within that Bill, in relation to direct labour, I am organising a seminar in London in conjunction with the consultants to demonstrate to other local authorities the management information services now established within the direct labour organisation.

J. O'Brien,
Housing Department,
Southwark Borough Council,
38 Rye Lane, SE15.

UK: Labour Party conference continues, Blackpool.

Official reserves of the UK (September).

Capital issues and redemptions (September).

Meeting of the Council for the Securities Industry.

Home Office application in High Court to stop Commission for Racial Equality holding investigation into immigration controls.

Dr. Gerald Vaughan, Minister for Health, addresses conference on management arrangements in restructured National Health Service, Kensington Town Hall, London.

Today's Events

Mr. James Prior, Employment Secretary, speaks at annual lunch of the Union of Independent Companies, Café Royal, Regent Street, London.

Overseas: International Monetary Fund meeting continues, Washington.

Statement by Mr. Richard Burke, member, Commission of the European Communities, on proposals for improving oil tanker safety at sea, London.

COMPANY RESULTS

Final dividends: Macallan-Glenlivet. Charles Sharpe. Interim dividends: Beauford Group. City of London Brewery and Investment. Downlebrae Holdings. F.C. Finance. Austin Reed Group. Revertex Chemicals. Solicitors Law Stationery Society. Wolstenholme Rink. Interim figures: Beralt Tin and Wolfram. British Enkalon.

COMPANY MEETINGS

Associated British Engineering, The Meeting House, Glasgow, 12. K. O. Boardman International, St. James's House, 7, Charlotte Street, Manchester, 12. City of London Brewery, Winchester House, 77, London Wall, E.C., 2.30. Davy Corporation, Cavendish Conference Centre, Duchess Street, 12. Dowty Group, Arle Court, Cheltenham, 11. Gnome Photographic, Park Hotel, Park Place, Cardiff, 11.30. Grant Bros., 14-32, High Street, Croydon, 12. Grimshawe, Waldorf Hotel, Aldwych, W., 12. Robert Moss, 333, Banbury Road, Oxford, 3.30. Mountleigh, Leigh House, Stanningley, Pudsey, 3. Norton and Wright, Queen's Hotel, Leeds, 12. Owen and Robinson, Swinegate, York, 3. Wagon Industrial, Midland Hotel, Birmingham, 11.

Strong first half rise by Provincial Insurance

A 50 PER CENT reduction in underwriting losses and a 40 per cent rise in investment income enabled Provincial Insurance to record pre-tax profits well ahead from £0.61m to £2.84m in the first half of 1980. The after tax profit amounted to £1.53m compared with £408,000.

The interim dividend is lifted from 6.3653p to 7.5p net. Last year from profits of £4.98m a total of 15.5p was paid.

General premium income improved by 13 per cent from £39.3m to £44.4m.

In the UK the markedly reduced underwriting loss reflected a combination of better weather and the effects of remedial action. The substantial motor account produced a marginal profit while the accident account had only a marginal loss. The householder account had a substantial reduction in its losses. The commercial and industrial fire account causes concern with the rising number of large fires and severe competition keeping rates down.

There was an overall loss overseas, due to adverse results in Canada, Australia and Holland. Kenya produced a profit and the Far East business reached break-even.

There was a marked reduction in overall new life business in the first half of the year, arising from the Budget restrictions on income bonds. New annual premiums amounted to £738,000 against £867,000 and single premiums to £512,000 against £2.75m. But the underlying trend is strong, with new with-profit premiums 15 per cent higher and unit-linked premiums 40 per cent up on last year.

HIGHLIGHTS

The Lex column considers the decision by the Monopolies Commission to allow the takeover of Armitage Shanks by Blue Circle to go ahead after all and then moves on to examine a merger in another sector, that of the Evening Standard and Evening News. The Asda annual report contains an interesting statement on the higher prices of new store sites and Lex briefly considers its implications for retailers generally. Finally Lex looks at the Bank of England's decision to roll over £500m of gilt-edged repurchase facility with the banks for another month. On the inside pages there is an interesting tale out of the Abwood annual report while the two companies that come in for comment are Anchor Chemical and Comfort Hotels.

Anchor Chemical slips £83,000

PRE-TAX PROFITS of Anchor Chemical Group slipped from £350,000 to £267,000 in the first half of 1980. Turnover during the period remained static at £7.07m compared with £7.16m.

Although the company is currently trading profitably, particularly the overseas operations, Mr. B. B. Pugh, the new chairman, warns that he does not expect the first half performance to be repeated. In view of the depressed state of the chemical industry in general, he says he finds it impossible to forecast profits for the year.

He says that trading in the first half was difficult. Price increases were extremely hard to obtain and the continued strength of the pound brought constant pressures on margins. Exports were badly affected turnover falling from £1.97m to £1.21m. On the home market, however, sales improved to £3.92m (£3.48m).

The chairman adds that all the overseas companies did well. In the U.S., despite the recession there, Anchor's joint-venture substantially increased its profits. Overall, the overseas companies contributed £1.95m in the six months, compared with £1.72m a year earlier.

The directors are maintaining the interim dividend at 2.38p net but say the final payment will depend on the conditions prevailing at the time.

Tax for the half year took £132,000 (£115,000) leaving stated earnings per 25p share of 4.7p (8.2p) and a net surplus of £135,000, against £235,000.

The company's principle activities are the processing and distribution of chemicals and plastics.

● **comment**

Perhaps it is only the proximity of their interim results which prompts comparisons between Anchor and Brent but the shares in each second line chemical manufacturer were clearly moving in opposite directions yesterday. Anchor dropped 11p to 73p in response to a 24 per cent pre-tax shortfall and the worsening outlook. Given the high level of debt, the group will be looking for discernible signs of an upturn if the final dividend is to be maintained. The shares had been trading near the top of the annual range and even after the shake-out yesterday the historic yield of 10.7 per cent may be in need of further correction to allow for the uncertainties. The historic fully taxed p/e of 5.4 also looks some way behind events. Brent, meanwhile, is enjoying an unequivocal growth rating for which it must thank a very good track record and a cast-iron balance sheet.

JB Hldgs. improves to £1m

FIRST HALF pre-tax profits of J.B. Holdings, construction and mechanical engineer, improved by £140,000 to £1m. Turnover increased by 54 per cent to £20.91m in the six months to June 30, 1980.

After tax up from £449,000 to £522,000, stated earnings per 10p share are 4.32p (3.65p), and the interim dividend is unchanged at 1.5p — last year's total was 3p from pre-tax profits of £1.73m: Dividends absorb £200,000 (same), leaving retained profits up from £215,000 to £282,000.

The Board says increased activity has been attained by all divisions within the group and this is especially creditable in view of the depressed UK economy and the effect on international competitiveness of the combination of high domestic inflation and the rising value of sterling.

Over £140,000 for L and C Advertising

PRE-TAX profits of London and Continental Advertising Holdings (formerly Associated Tea Estates of Ceylon) were £141,000 from turnover of £660,000 in the six months to June 30, 1980. Due to the significant change in the business of the company, no comparative figures for the six months to June 30, 1979, are shown, but in the year to December 31, pre-tax profits were £215,904 from group turnover of £909,781.

After a tax charge of £73,700 (£132,700 for year), distributable profits are £68,032 (£9,715) and earnings per share are 0.43p (0.15p at December 31).

The directors of this specialist advertising contractor intend to recommend a final dividend for the year to December 31, 1980, based on the full year's results.

Mr. John Golfar, the chairman, says in his interim report that all aspects of business continue satisfactorily and that he believes that current trading levels will be maintained for the rest of the year.

NEGRETTI

Only a few days after announcing that it would have to pass its preference dividends, Negretti and Zambra, the loss-making instrument maker, has undergone a major reshuffle of its board.

Mr. John Grandidge has been appointed group managing director, while Mr. John Gowshall has resigned and is being replaced as group financial director by Mr. Terence Adams.

Electronic Machine expands by 63%

SECOND-HALF pre-tax profits of Electronic Machine Company almost doubled from £37,658 to £74,805 and resulted in the figures for the full year to April 30, 1980, advancing 63 per cent from £69,658 to £113,805. Turnover of this industrial and investment holding company rose from £1.76m to £2.08m.

Mr. T. M. Palmer, chief executive, says this was the second year of recovery shown by the group. In addition, he says, its triennial freehold property revaluation disclosed a gross surplus of £98,544, which has been credited directly to capital reserve.

A further period of progress will be required, however, before the Board is able to consider payment of a dividend—the last payment being of 0.8125p in 1975.

Distributable reserves are still substantially in deficit as a result of past losses.

The group's prospects are reasonably encouraging with a confirmed order book of £1.5m, and it looks forward to another satisfactory result in the coming year.

After tax down from £23,995 to £9,391 and minorities of £2,573 (£2,667), profit attributable is £101,841 compared with £45,960. Stated earnings per 25p share are 4.16p aagінst 1.75p.

Net asset value per share is 24.96p (16.79p).

The group has five principal operating subsidiaries — A.P.T. Radar Systems, Davin Optical, Electronic Machine Control (Sales), E.O.C. Precision Engineering, and J. Sharrocks and Son (trading as Britannia Tool Company).

W. E. Norton operating within bank facilities

At present W. E. Norton (Holdings) was operating within its facilities and continued to receive support from its bankers at an agreed level. This had proved adequate for the company's requirements since the year-end, Mr. W. E. Norton, the chairman, told the annual meeting when commenting on the auditors' report on the 1979/80 accounts.

The directors believed that when the economies made took effect and stocks were reduced the company's borrowings would drop appreciably and it would return to profitability.

Mr. Norton remained confident that as soon as interest rates dropped to a more reasonable level demand for machine tools and engineers' supplies would recover.

As known the group fell from a £749,000 pre-tax profit to a £247,000 loss for the year to March 31, 1980. The auditors made their report on a going concern basis which assumed that the group's bankers continued their facilities and the company was able to operate within these limits.

At Ellis and Everard's AGM chairman Mr. Simon Everard told shareholders that despite tough trading conditions the group was operating profitably, if unevenly.

He said the company's major division, merchanting, was slightly ahead of last year's comparative profits although sales were below forecast for the first five months of the present financial year. The other three divisions, however, were below their sales and profit projections.

Group turnover so far this year, excluding Anstead which was acquired in May, amounted to £11.65m, compared with £11.59m, the chairman said—adding that he remained hopeful that the company would not return profits significantly lower than those achieved last year.

At Haslemere Estates Mr. F. E. Cleary, the chairman, told shareholders at the AGM that the company was engaged in some considerable developments and that it had been extremely successful in letting its buildings to companies of national and international standing. Rent reviews now falling, he said, were adding substantially to the company's rent roll.

Referring to the record profits of £5.37m for the year to end-March, 1980, he said that year by year he had spoken of his optimism for the future of the company. He said he did so again because despite all the economic gloom, despondency and unquestionable hardship arising for many people, he still believed there were good days ahead for those with courage, enterprise and energy.

INCREASE FOR JOVE INVESTMENT

Gross revenue of Jove Investment Trust increased from £502,753 to £585,632 for the half-year to August 31, 1980, while net attributable earnings climbed from £242,967 to £288,269.

Earnings per 10p share rose by 0.32p to 2.04p and the net interim dividend is stepped up to 2p (1.75p) per income share.

Tax took £160,215 (£140,034) and minorities accounted for £45,449 (£40,101).

Beckman below £1m for full year

A FURTHER decline in profitability in the second six months to June 30, 1980, left A. Beckman, converter and merchant of textiles, with full-year pre-tax profits of £957,000, compared with the previous year's record £2.22m. Turnover fell from £19.11m to £13.37m.

When reporting first-half profits down from £1.06m to £626,000, the directors explained that the textile and garment industry had taken a severe downturn in the period and this trend seemed to be continuing.

Yearly earnings per 10p share dropped from 10.28p to 4.4p, but the dividend total is being held at 5.73p net, with an unchanged final of 3.78p.

Tax charge was down from £1.17m to £508,000.

Midland News warns of slowdown

THE Midland News Association, newspaper publisher, reports an increase from £1.38m to £1.6m in pre-tax profits for the six months to June 28, 1980. Turnover rose from £9.32m to £11.17m.

Although expressing satisfaction with the first half results, the chairman warns that the same level of profit will not be maintained during the second half.

The company publishes the Express and Star, Shropshire Star and Shropshire weekly newspapers.

Improvement likely at B. Paradise

In spite of poor trading conditions generally, Mr. A. A. Davis, chairman of B. Paradise, manufacturer and distributor of clothing, told shareholders at an extraordinary meeting that the outlook appears more promising and a material improvement in its fortunes is anticipated during the current year.

In the last financial year, the company reported a pre-tax loss of £401,000 (£317,000).

The meeting voted to change the company's financial year, and in future it will end on April 30 instead of January 31. The next accounts, therefore, will be for the period February 1, 1980, to April 30, 1981.

In order to conform with results published by its parent company, R. and J. Pullman, accounts will be prepared for the half year from May 1 to October 31, 1980, and the trading figures published as soon as is practicable.

Deltight Inds. finishes lower

A DROP from £515,462 to £315,795 in pre-tax profits is reported by unquoted company, Deltight Industries, manufacturer of specialist fasteners, for the year to April 30, 1980. The decline started in the first half when profits fell from £286,907 to £195,554. Turnover for the full year rose from £4.6m to £5.58m.

The pre-tax figure was struck after interest charges up from £70,642 to £109,536. Tax took £114,971 (£178,597). There was an extraordinary gain of £97,470 (nil) on the sale of properties.

The final dividend of 1p makes the total 3p. The company has close status.

CAMRA profits advance 65%

Taxable profits of CAMRA (Real Ale) Investments increased 65 per cent from £12,418 to £20,523 for the 24 weeks to July 14, 1980. Turnover of this free house operator rose 31 per cent to £393,982 with sales volume 13 per cent higher.

The board says there are signs that the second half will be tougher than the first, but believes that by exercising tight control over all aspects of the business, performance will continue to improve.

For the year ended January 28, 1980, profits before tax were £27,735.

The company's shares are quoted under Rule 163 (2) (a).

Abwood's accounts qualified

Chartered accountants Gane Jackson and Walton, auditors to Abwood Machine Tools, which has reported a net loss of £178,625 and, after tax adjustments, a loss of £129,804 for the year ended March 31, 1980, have qualified the group's accounts.

In their auditors report attached to the accounts Gane Jackson and Walton say that, in view of the points made in the chairman's statement, "we are of the opinion that neither the loss for the year ended March 31, 1980, nor the movement of funds statement show a true and fair view."

Gane Jackson say in their report "We were appointed auditors following the resignation of Messrs. Shipley Blackburn on June 24, 1980. Since this was after the year's end we did not attend the physical stocktaking which the company carried out, and were therefore unable to verify independently the accuracy of the physical quantities used in making the valuation of stock and work in progress at March 31, 1980."

The report continues: "The accounts have been prepared on a going concern basis which assumes that the company has adequate working capital available.

"No depreciation has been charged on freehold buildings contrary to statement of accounting practice number 12."

But they add that "subject to the foregoing we are of the opinion that the balance sheet together with the notes thereon show a true and fair view of the state of affairs of the company at March 31, 1980, and comply with the Companies Acts 1948 and 1967."

In his chairman's statement Mr. Geoffrey Suckling says that, "I am satisfied that a major proportion of this loss is attributable to previous years, but the absence of detailed records for earlier years makes it impossible to apportion this precisely. In view of these results no dividend is recommended for the year."

He continues: "In January, 1980, I first discovered that serious deficiencies existed in the company's administration. In particular, invoices were being passed through the books in advance of the appropriate dates and stock and work in progress were not being priced in accordance with the stated company's accounting policy.

"Following an investigation into these matters your board terminated the appointment of Mr. Alan Peck as managing director, it would not be appropriate for me to elaborate further," he tells shareholders.

"Under the articles of association," the statement continues, "Mr. Peck will be retiring as a director by rotation at the annual general meeting. In the circumstances your directors, other than Mr. Peck, are unanimously of the opinion that Mr. Peck's re-appointment would not be in the best interest of the company and accordingly a resolution will be proposed that he be not re-elected."

Mr. Suckling says that "as reported in my interim statement the company also suffered from the extremely detrimental effect of the engineering strike in August and September 1979."

He adds: "following my appointment on March 14, 1980 as chief executive in place of Mr. Peck, I instigated a further director and I became chief executive. Mr. Peck has claimed before an Industrial Tribunal that his dismissal was unfair. The company is vigorously defending this claim.

"Since the proceedings have not yet been concluded, I am sure you will appreciate that investigation which revealed that the problem referred to previously had not been fully disclosed. I am satisfied that these deficiencies have been remedied and are included in the loss now reported. However, I must mention that there are other contingent liabilities of a substantial nature which the board are actively seeking to minimise."

On trading, Mr. Suckling warns shareholders that "the company is not immune from the general depressed level of industrial activity and is at present operating on a short working week. I do not see that this position is likely to improve whilst the minimum lending rate remains high."

He concludes: "notwithstanding this disappointing report I am confident that not only will the company survive, but following its re-organisation, it will quickly move forward and become a leader in its field as soon as the market turns.

"In order to provide a clearer picture the company's freehold has been revalued at March 31, 1980 and the surplus of £130,000 has been included in the accounts."

The annual general meeting will be held at the Royal Victoria and Bull Hotel, Dartford, Kent on October 22 at 12 noon.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anchor Chemical ...int.	2.38	Nov. 21	2.38	—	5.3
A. Beckman	3.78	Jan. 3	3.78	5.73	5.73
A. F. Bulgin ...int.	0.58	Nov. 21	0.58	‡	1.35
Comfort Hotels ...int.	0.2	—	0.15	—	0.55
Dinkie Heel ...int.	0.25	Jan. 2	0.25	—	0.5
James Halstead	1.6	—	1.56	2.4	2
Hiltons Footwear ...int.	1.3	Nov. 21	1.3	—	4.72
JB Holdings ...int.	1.5	Jan. 5	1.5	—	3
Jove Inv. Trust ...int.	2	Nov. 28	1.75	—	4
Provincial Ins. ...int.	7.5	Nov. 3	6.37	—	15.5
Rivoli Cinemas	46	Nov. 21	25.66	46	25.66
Francis Sumner ...int.	0.35	Nov. 10	0.55	—	0.65

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Forecast of maintained total on capital increased by rights issue. § First payment as quoted company.

ASDA sees less midway

PROFITS FOR the first six months of the current year at Associated Dairies Group will fall short of those for the comparative period in 1979, says Mr. A. N. Stockdale, the chairman, in his annual statement. But he adds that these must not be taken as indicative of the full year's figures.

Last year's first-half results were boosted in the first quarter by a buoyancy of sales, particularly in the carpet and furniture divisions, prior to the increase in VAT.

Pre-tax profits for the 53 weeks to May 31, 1980 rose to £49.98m, compared with £41.01m for the previous 52 weeks, on turnover up from £791m to £999m as reported August 28. The dividend total is effectively being raised from 3.34p to 4.25p net, and a one-for-three scrip issue is being proposed.

Mr. Stockdale says the group's stores in the south of England have exceeded sales beyond the board's most optimistic expectations and in September there were three further openings in this region.

On the fresh foods side, he is confident that both volume and profits from meat products will move strongly forward. Performance in the dairy sector will to some extent be dependent on Government attitude towards compensating against continued escalating costs.

Allied Carpets, the group's carpet division, while less buoyant than previously, looks to be increasing market share and an increase in volume is anticipated with margins being maintained.

In furniture, Wades and Williams was affected by the VAT increase which resulted in a reduction in volume sales and the chairman says it is unlikely there will be any material increase throughout the remainder of the financial year.

However, the streamlining of this division will eventually result in considerable savings in administrative costs, and by moving up-market, secure substantial sales increases once the economy moves from recession, he states.

In Ukay, sales will be substantially increased due to the addition of the three new superstores at Bow, Rayleigh and Olympia, but pre-opening expenses will offset any potential profit contribution.

At May 3, 1980, shareholders' funds were up from £81.4m to £106.65m. Bank overdrafts were higher at £18.57m (£4.64m), of which £5.07m (£4.49m) were secured. Short term deposits rose £1m to £2.25m and cash totalled £1.76m (£3.28m).

Future capital expenditure, excluding government grants, amounted to £63m (£38.1m), of which £45.2m (£29.5m) had not been contracted for.

Meeting, Leeds, October 29, 2.30 pm.

Hiltons Footwear falls to £0.2m

Despite a rise in turnover of almost £1m to £6.63m taxable profits of Hiltons Footwear more than halved from £487,294 to £200,044 in the six months to July 25, 1980.

The chairman says that the increase in turnover was achieved at the expense of gross margins while overhead costs rose substantially.

And although sales are satisfactory in the first few weeks of the second half the pressure on margins continues, he warns. Prospects for the remainder of the year are only fair, and it seems likely that the company will be unable to recover the first half's shortfall and match last year's total, he adds.

However, the chairman hopes to be able to report second-half profits at a similar level to those achieved last year—£1.08m.

The interim dividend is maintained at 1.3p net. Last year a final of 3.423p was paid from pre-tax profits of £1.56m.

Tax for the six months of this footwear retailer was lower at £76,000 (£90,695) but stated earnings per 20p share show a drop from 6.46p to 2.02p.

The chairman says that the fall in margins in the half year was partly due to successful efforts to increase the company's share of a market diminished by reduced consumer spending. In addition, he says, the vagaries of fashion and an exceptionally cool summer left the company with very heavy stocks.

As a result of this, the company reduced prices more drastically than ever before for its July sale which has preserved the cash flow and left clean stocks for the second half, the chairman adds.

Overheads were affected by a change in the annual review date for shop assistants' wages. This meant a double increase for three months of the period under review.

Other expenses were influenced by high inflation and the initial costs of five new shop openings during the period.

Home Farm meets prospectus forecast

Home Farm Products has met its prospectus forecast in announcing taxable profits of £702,567 for the year to May 31, 1980. Turnover for the period, net of VAT, amounted to £11.23m.

Tax took £371,709 and there was a deduction of £263,525 representing £5,074 due to the accounts of three subsidiaries being made up for a 48-week period and pre-acquisition profits of the subsidiaries, acquired on May 7, 1980, amounting to £258,451.

The net surplus was £67,333 with the brought forward balance standing at £228,185. Flotation cost samounted to £95,019 and the carry forward figure is given as £169,571.

There are no comparisons to the year's results as these are the first consolidated accounts of the group.

A final dividend of 1.75p net is being paid. Dividends are being waived in respect of 3,006,191 shares on payments in excess of 0.1p per share. Earnings per 10p share are stated as 7.19p.

Home Farm, a pig processor, was given a Stock Exchange quotation on May 15 this year. It is a "close" company.

Waverley Cameron down

Directors' hopes that 1980 would see progress maintained at Waverley Cameron have been dashed. For the six months to end-June, taxable profits of this stationery manufacturer fell from £115,361 to £80,856. Sales for the period eased to £0.92m, compared with £1.03m.

The directors say they have recently taken action to combat the effects of cautious buying by UK retailers and export problems caused by the strong pound.

Tax for the six months took £42,045 (£59,988) but there was no stock relief this time, against £61,697. The net surplus amounted to £38,811 (£117,070) and stated earnings per 25p share are 4p (12p adjusted).

The company paid a dividend for the whole of last year amounting to the equivalent of 3.75p net from pre-tax profits £378,416.

Swan Hunter 3.5p third distribution

Swan Hunter Group is proposing to make a third distribution of 3.5p per £1 ordinary share on October 24. This remains conditional as to any further unforeseen claims which might materialise prior to that date.

Tax for the year to January 12, 1980 has been agreed at £499,000 and is payable on October 23. Certificates of tax deposit have already been purchased to settle this liability.

After payment of this and the intended third distribution, the joint liquidators will be retaining some £480,000 (nominal value) variable rate Treasury Stock 1981 and a small balance with the company's banker.

These funds will be held against estimated tax and other liabilities of approximately £150,000 and by way of provision for specific contingent claims totalling some £300,000.

No estimate can, as yet, be given of the date(s) of any further distribution(s), since these will depend on how soon and to what extent the present provisions for contingent liabilities can be released.

Bulgin lower at halfway: £1m cash call

PRE-TAX profits down from £683,000 to £611,000 for the six months to July 31, 1980, and a rights issue to raise some £1.02m are announced by A. F. Bulgin and Co., manufacturer of electronic and electrical components.

The directors say it is difficult to forecast any material improvement in second-half profitability, but they are confident the group is well placed to take immediate advantage of any general upturn in industrial activity.

Half-year earnings per 5p share are 1.22p (1.37p), the interim dividend is held at 0.58p net and the directors [illegible] maintain payments on the capital as increased by the rights issue. Last year total dividends of 1.35p were paid from profits of £1.37m.

The terms of the rights are one new 'A' non-voting ordinary for every six ordinary and/or 'A' non-voting ordinary at 27p.

Giving their reasons for the cash call, the directors explain that by maintaining in future the increased level of capital expenditure of the last two years manufacturing efficiency will continue to improve, and by further product design and development more new products will be added to the existing [illegible]

The board intends to take up its personal entitlements under the issue in full, saying the company has traditionally maintained a strong cash position and has always attached great importance to a positive cash flow.

While current trading is reflecting the general slowdown in the UK economy, the directors are confident of a resumption of growth in demand for group products in the future and are determined to expand at a more rapid rate than in the past.

In distribution, Solent Component Supplies has been formed as a division of Bulgin. Long leasehold premises have been acquired at Portsmouth and fully experienced staff engaged.

Solent commences trading this month. Larger, preferably freehold, premises are being sought in the Croydon area for Projex Distribution. Distribution rights for one major range of products have recently been obtained and two others are under active consideration.

The board intends to increase its involvement in the energy industry and it is anticipated that there will be many opportunities to do so within the next year.

In the first six months turnover advanced from £2.77m to £2.94m. Tax for the period took £318,000 compared with £355,000.

LAGANVALE—97% ACCEPT

Acceptances have been received in respect of 96.65 per cent of shares offered in a rights issue by Laganvale Estate, the Belfast property group in which Mr. Jim Slater has a significant interest. The issue was intended to finance the £1.5m purchase of a property in Brighton.

Halstead slightly higher

A MODEST increase from £903,834 to £911,662 in second-half pre-tax profits is reported by James Halstead (Holdings), but figures for the full year to June 30, 1980, are down from £1.66m to £1.52m. Turnover rose from £20.26m to £21.87m.

The group, which manufactures PVC floor coverings and mouldings, and waterproof clothing, has recently introduced an employees' profit sharing scheme and the initial payment amounts to £76,089.

During the year the group closed BM Coatings, which had made losses for five years. Closure costs are reflected in extraordinary items of £742,715 (£91,446). The board says the effects of the closure will be to improve the group's profitability base and to release in excess of £500,000 cash for further investment.

After tax down from £583,781 to £365,095, stated earnings per 10p share are 10.04p against 9.98p, and the final dividend is raised from 1.558p to 1.6p net for a total of 2.4p (2p). Dividends absorb £264,200 (£221,450), leaving retained profits substantially lower at £73,672 compared with £761,629.

Alfred Walker seeks greater liquidity

EXPRESSING a lack of optimism for the current year, Mr. Raymond Walker, chairman of Alfred Walker and Son, building contractor and property developer, says prudent management dictates the group should become as liquid as possible.

To help achieve this a number of investment properties were sold last year, resulting in a cash inflow of some £114,000, and the dividend payment was passed.

Accounts for the year show that the Inland Revenue is disputing various group tax saving transactions. Tax counsel's opinion indicates that the Revenue's view is unlikely to be upheld. However, should it be upheld the group would have a liability of some £300,000 plus accrued interest and Mr. Walker says the company would face severe cash flow problems.

In 1979-80, group retained profits—as reported on September 16—jumped from £53,000 to £133,000 and earnings per share rose to 4.1p (1.77p).

The AGM of the company will be held at Birmingham, on October 24 at noon.

Decrease at Dinkie Heel

Although turnover was higher at £906,000, against £849,000 last time, pre-tax profits of the Dinkie Heel Company fell from £165,000 to £129,000 for the first six months of 1980.

The net interim dividend is maintained at 0.25p per 5p share—last year's total was 0.5p on taxable profits of £238,280.

The company's principal activities are the production of safety toe caps for protective footwear and the production and supply of components for the shoe repair trade.

SPAIN

October 1	Price %	+ or −
Banco Bilbao	247	+2
Banco Central	276	+6
Banco Exterior	215	+3
Banco Hispano	234	+2
Banco Ind. Cat.	122	+1
Banco Madrid	141	
Banco Santander	277	+2
Banco Urquijo	138	
Banco Vizcaya	225	+2
Banco Zaragoza	248	
Dragados	113	+2
Espanola Zinc	71	−1
Fecsa	65.2	
Gal Preciados	32	
Hidrola	69.5	+0.8
Iberduero	65.7	−0.3
Petroleos	118	+0.5
Petroliber	88.5	
Sogefisa	102	
Telefonica	64	+0.5
Union Elect.	68.7	−0.8

UK COMPANY NEWS

Comfort Hotels falls £0.4m after higher interest charges

AGAINST A background of difficult trading conditions and continuing high interest rates, taxable profits of **Comfort Hotels International** fell from £1.12m to £0.73m for the 28 weeks ended July 13, 1980.

Management accounts to date confirm that the second half of the year is normally the more profitable, partly due to the more seasonal nature of the increasing number of group hotels operated overseas.

Turnover for the first period increased from £8.11m to £10.43m, but profits were struck after higher interest charges of £817,000 (£523,000). Tax was down from £280,000 to £48,000 and the charge this year will remain well below normal due to the availability of capital allowances.

The net interim dividend is raised from 0.18p to 0.2p per 10p share—the total last time was 0.545p on pre-tax profits of £2.5m. The interim absorbs £103,000 (£93,000) leaving retained profits down from £745,000 to £578,000 for the half year.

The directors say the Park Plaza extension will not be completed until the end of the year and will therefore not contribute to profits until 1981. Also recent acquisitions are not expected to make a contribution to group profits until next year.

A management contract has been obtained in respect of the Memphis Hotel in Amsterdam, commencing from June 1, 1980.

The establishment of Associate Hotels in different strategic parts of the UK is making good progress and these now number four.

● comment

The London Tourist Board reported yesterday that London hotel bookings fell by 20 per cent in July and August, so Comfort Totels, which reported a 6 per cent drop in interim trading profits and claims to have had a quite promising start to the second half, is doing well. The occupancy rate fell only 1 or 2 per cent in the group's 21 hotels, 13 of which are in London, and prices were raised 10½ per cent in April and another 5 per cent last month. Strikes restaurants maintained their contribution but only by operating six more outlets, 27 in all, than in the comparative period. Dayville's Ice Cream had a miserable summer because of the indifferent weather but hopes for a more satisfactory return next year when the products will be offered to supermarkets. The acquisition of more foreign hotels increases the group's seasonal bias so a £2.1m profit for the year may be achieved. That suggests a handsome prospective fully taxed p/e of 11. The 115 per cent capital gearing with much of the borrowing at low rates, has attracted bid speculation before but the company denies any knowledge of current activity. The prospective yield, if the final, like the interim, is raised 11 per cent, would be 4 per cent.

Sumner Holdings slides to £0.23m at midway

Taxable profits of **Francis Sumner (Holdings)** slid from £322,227 to £229,494 in the first half of 1980 on external sales £450,000 lower at £8.17m.

For the whole of 1979 the company, whose interests include textiles, engineering, plastics and offshore engineering services, made a pre-tax surplus of £359,395 (£693,466)—earning only £37,168 in the second six months.

Mr. Max Maimann, chairman, says the main concern for the balance of the year must relate to the recession and its effects on the group. The adverse trading conditions started to take their toll on the level of activity in all divisions during the latter part of the first half, making it necessary for defensive measures to be taken at certain operating locations, the chairman adds.

He says he hopes that these measures will be sufficient to maintain the group's trading position until the company starts to recover.

Considerable progress has been made in carrying out the reorganisation and rationalisation plans referred to in the chairman's statement accompanying the 1979 accounts. Although the effect on the trading performance of the group during the reorganisation period is difficult to quantify, Mr. Maimann says overall an extraordinary profits of £101,712 has been made to date from the closure and sale of assets associated with discontinued operations.

The profit for the six months this time was struck after including a surplus of £58,321 (nil) on the sale of fixed assets.

The interim dividend is reduced to 0.35p net (0.55p). Last time the company paid a final of 0.1p.

Tax for the half year fell from £90,000 to £60,000 leaving stated earnings per 10p share down from 0.86p to 0.63p.

After minority interests of £1,021 (£1,108) and dividend payments which absorbed £93,781 (£147,371) retained profit showed a rise to £176,404, compared with £83,748.

Charterhall set to gain from Buchan oil flow

CHARTERHALL, the investment holding company with interests in oil, natural gas and mineral exploration, has reduced its pre-tax losses from £175,846 to £57,660 in the year to June 30, 1980. Turnover rose from £741,187 to £1.07m.

Mr. Derek Williams, the chairman, says income which will accrue to the company as a result of Buchan coming on stream—oil production is expected to commence in November—together with existing cash resources, will provide a solid base on which to build and expand.

He says emphasis will be placed on oil and gas ventures in the UK, both offshore and onshore, and elsewhere in the North Sea. Further expansion is also planned in both Australia and North America, where the group is now well established.

No dividend is again being paid—the last payment was in 1967—but the board reaffirms its earlier intention that, subject to unforeseen circumstances, it will commence the payment of dividends from income arising in the current year ending June, 1981, and expects to declare a small dividend in May with a final in November, 1981.

The group's income will not be substantial until oil is received from its Buchan Net Production Interest, which is anticipated will be at the beginning of 1982. Dividends are therefore expected to start at a low level in 1981, but should increase significantly by the financial year 1982-83.

At the year end there is a loss per 5p share of 0.21p (0.63p).

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	300	98	—	110	5	—	—	595p
BP	330	68	2	86	—	94	—	"
BP	360	38	56	60	13	74	—	"
BP	390	13	29	37	57	54	—	"
BP	420	3½	105	—	—	—	—	"
Com. Union	140	35	1	43	1	44	2	173p
Com. Union	160	17	16	24	23	29	—	"
Com. Union	180	5	7	13	4	17	—	"
Cons. Gold	500	165	—	188	5	207	—	662p
Cons. Gold	550	115	3	143	10	168	—	"
Cons. Gold	600	65	58	108	31	135	—	"
Cons. Gold	650	24	33	77	28	102	—	"
Courtaulds	50	10	—	12½	1	15½	—	66p
Courtaulds	60	3½	4	7½	13	10	—	"
GEC	390	143	2	160	—	—	—	526p
GEC	500	35	9	68	—	85	—	"
GEC	550	8	24	40	26	58	—	"
Grand Met.	140	13	—	21½	99	27	—	151p
Grand Met.	160	2	32	8½	41	16½	—	"
ICI	330	22	10	42	—	52	—	346p
ICI	360	5	—	24	3	32	—	"
Land Secs.	323	62	10	81	3	—	—	380p
Land Secs.	353	32	—	57	10	—	—	"
Land Secs.	390	9	85	33	35	49	—	"
Land Secs.	420	1½	—	19	9	33	—	"
Marks & Sp.	90	16	—	19	1	25	1	105p
Marks & Sp.	100	6½	33	13½	5	18	—	"
Marks & Sp.	110	2½	3	7½	20	12½	—	"
Shell	360	60	—	78	2	—	—	414p
Shell	390	30	1	56	3	74	—	"
Shell	420	12	—	38	11	54	—	"
Shell	460	3	—	20	7	28	—	"
Totals			524		466		2	

Option	Ex'rcise price	November Closing offer	November Vol.	February Closing offer	February Vol.	May Closing offer	May Vol.	Equity close
Imperial Gp.	70	10½	15	14½	—	—	—	79p
Imperial Gp.	80	4	70	6½	13	11	10	"
Imperial Gp.	90	1¼	50	4½	7	5	—	"
Lonrho	54	53	—	60	8	—	—	115p
Lonrho	74	43	—	50	2	—	—	"
Lonrho	94	23	14	50	1	—	—	"
Lonrho	100	—	—	—	—	29	28	"
Lonrho	104	14½	125	23	1	—	—	"
Lonrho	114	7	102	15½	225	—	—	"
P. & O.	110	15½	—	17½	4	—	—	121p
P. & O.	120	7½	—	12½	8	—	—	"
P. & O.	130	3½	—	7½	3	11	—	"
P. & O.	140	1½	—	4½	4	7½	—	"
Racal Elec.	260	66	66	78	—	—	—	314p
Racal Elec.	280	46	8	62	—	13	—	"
Racal Elec.	300	32	1	49	67	60	—	"
Racal Elec.	330	16	23	33	7	43	—	"
Racal Elec.	360	6	1	20	—	31	—	"
RTZ	384	88	1	100	—	—	—	469p
RTZ	454	35	—	55	—	73	1	"
RTZ	494	12	13	53	7	53	—	"
Totals			488		355		59	

BIDS AND DEALS

L. Scott chief urges holders to sit tight

MR. PAUL TAPSCOTT, chairman of Laurence Scott, the Norwich-based electrical engineering group, has urged holders not to sell their shares at the price offered by **Mining Supplies**, the Doncaster-based mining machinery manufacturer, which already holds a 27.2 per cent interest.

He describes the formal offer, sent out yesterday, as a "good buy for the purchaser." Saying he had not had a chance to discuss it with his fellow directors, he urged shareholders to wait until they received a detailed response from the board, probably early next week.

In his recommendation of the offer—valuing the Scott shares at about 68p with a 60p cash alternative—Mr. Arthur Snipe, chairman of Mining Supplies, says that his aim is t build a group, which is predominantly related to the energy industry in all its fields, not only for coal mining.

The acquisition of Scott will enable the group to achieve this more quickly than by organic growth and "we intend to construct a group that has the strength in its management, workforce and finances to tackle the expanding markets both in the UK but more particularly overseas in all aspects of the energy industry," says Mr. Snipe.

Mr. Snipe says that Mining Supplies is determined to be a leader in the new technology necessary to take advantage of the sharp increase in the demands for all primary energy sources. He feels that between the two companies "there can be sensible rationalisation of research and development in mechanical, electrical and microprocessor controlled equipment."

At present Laurence Scott provides Mining Supplies with drive motors and other equipment and Mr. Snipe believes that there are other economic benefits that will accrue from inter-company activities in manufacturing, particularly machining fabrications castings and forgings.

Mr. Snipe says "at the present time it is not envisaged that there will be any major changes in the business or assets of Scott."

He refers to Scott's negotiations for the supply of equipment for the new gas cooled reactor stations and says that in the light of these talks "it is Mining Supplies aim, wherever possible, to provide continued employment for the employees of Scott group on terms no less favourable than at present."

Barclays Bank given go-ahead for U.S. deal

Barclays Bank has received clearance from the Federal Reserve Board to acquire the assets of 138 consumer finance offices from Beneficial Corporation, the large Delaware-based consumer finance company.

This clears the biggest hurdle for the $200m deal which was announced last November, and which will substantially expand Barclay's presence in the U.S.

Rockwell must sell Serck stake

BY RAY MAUGHAN

Rockwell International has given an undertaking to the U.S. Justice Department that it will dispose of its 29.7 per cent stake in the British valve manufacturer, Serck.

Pending the disposal, Rockwell has agreed not to vote the shares and not to attempt to control or influence Serck. Rockwell has also undertaken not to expand its interest in Serck or in any other lubricated plug valve manufacturer for 10 years.

Rockwell's stake was acquired in February when the U.S. group picked up the shares at 77½p each in a sudden stock market raid. Two months later, it came back with terms of a bid for full control which valued Serck at £33m in total. Serck grudgingly accepted and this extension of the U.S. group's activities in Britain was thought to be cut-and-dried until the Justice Department intervened in April.

The U.S. authorities charged that the acquisition violated Section 7 of The Clayton Act in that it may substantially lessen competition in the market for lubricated plug valves, used to control the flow of gas or liquids in pipelines and widely used in gas and oil production. Rockwell last year accounted for 83.5 per cent of the $57m total U.S. market for valves of this type. Serck is Rockwell's principal competitor in this field outside the U.S. and has long held plans to enter the North American industry either by acquisition or joint venture.

The antitrust suit which has been filed to challenge the acquisition is to be terminated by a consent decree now that Rockwell, without admitting any antitrust violations, has agreed to sell off its holding in Serck within four years of final court approval of the consent decree.

The agreement was announced too late to affect the Serck share price, unchanged yesterday at 50p, but the price has flared periodically since April on rumours of a disposal by Rockwell and the assumption that the holding would provide a platform for another interested bidder.

DUNLOP TO ISSUE 4.4M SHARES IN KWIK-FIT DEAL

Dunlop has agreed with **Kwik-Fit (Tyres and Exhausts) Holdings** for the consideration for the purchase by Dunlop of 81 tyre distribution establishments, of £3.2m will be satisfied by the issue of 4,368,546 Dunlop ordinary shares. These shares have been placed with institutional investors.

S. African deal for B. S. & W. Whiteley

B. S. and W. Whiteley, the electrical insulating pressboard manufacturer, is selling its majority interest in B. S. and W. Whiteley Holdings (South Africa) (Proprietary) to Power Technologies.

The aggregate value of the cash consideration to be received by Whiteleys will be R304,616 (£169,231) made up of a special dividend of R99,549 (£55,305) which is payable immediately, and the repayment of the 10 per cent unsecured loan stock of R205,067 (£113,926) of which R150,000 (£83,333) is payable now and R55,067 (£30,593) payable 12 months from the date of the agreement.

Power Technologies will purchase from Mr. Rademeyer, the managing director of B. S. and W. Whiteley Holdings (South Africa) and the present minority shareholder, 50 shares of R1 at R91,583 and will subscribe for 362 new shares of R1 to be created by B. S. and W. Whiteley Holdings (South Africa) at R258,417.

Mr. Rademeyer will subscribe for 63 new shares of R1 to be created by the Whiteley South African company at a price of R58,400. The difference in the prices at which Mr. Rademeyer is selling his shares and is subscribing for new shares is compensation to him for the fact that he is not receiving the special dividend which forms part of the consideration paid to Whiteleys. As a result of these transactions the shareholders in the South African company will be Power Technologies with 66 per cent, Whiteleys with 24 per cent and Mr. Rademeyer with 10 per cent.

The Whiteley South African company supplies insulating materials and components to the electrical engineering industry in South Africa. It also owns Charsar Investments (Proprietary), a property company.

The value of Whiteley's interest in the assets disposed is R194,495 (£108,052).

The net profits before tax attributable to these assets disposed were R50,149 (£27,860) as against profits before tax achieved by Whiteley's of £154,006 to the year ended March 31, 1980.

The money raised from the transaction will be used to reduce Whiteley's bank borrowings.

Provincial Ltd. acquires 75% of Apollo

PROVINCIAL LTD., through its wholly-owned subsidiary Provincial Building Services, has purchased 75 per cent of the issued share capital of Apollo Site Services, whose business primarily consists of the hiring and sale of demountable buildings to industry.

The initial consideration is £135,000, satisfied by a cash sum of £110,000 and £25,000 by the issue of 58,823 Provincial ordinary shares of 5p each.

The maximum deferred consideration is £293,000, payable in tranches, of which £230,000 is dependent upon profits of £495,000 being achieved in the 30 months ending December 31, 1982.

Provincial has the option to settle £155,000 and £138,000 by the issue of ordinary shares at 50p and 60p respectively (or, if higher, the then middle market price).

The agreement contains options exercisable by Provincial, or the vendors, to purchase or sell, as the case may be, all the 25 per cent of the issued share capital not initially purchased by Provincial. These options are exercisable in 1987 or 1989, the price to be equal to the fair value of the shares.

In the audited accounts for the six months to June 30, 1980, Apollo made a pre-tax profit of £44,342 on sales of £313,677. Net assets at that date amounted to £123,948.

The acquisition will complement Provincial's development programme in the fields of office, industrial and building maintenance services.

MR. ROSS BUYS 6% OF H. GOLDMAN

Mr. Harvey Michael Ross, the Yorkshire bullion dealer and financier who recently sold his 18.6 per cent interest in Stroud Riley Drummond, the Bradford textile group, has now turned his attention to H. Goldman Group, a loss-making wholesaler of hardware, clocks and watches.

Mr. Ross has acquired 140,000 shares — equal to a 6 per cent stake—in the company. Mr. Ian Wasserman, formerly with Slater Walker Securities, bought a stake of 11.06 per cent at the end of August.

Mr. Ross said yesterday that it was a small investment at the moment. With the right contacts it is a business that could be turned round, he added.

MURRAY CALEDONIAN

NCB Staff Superannuation Scheme and Mineworkers' Pension Scheme bought 400,000 Murray Caledonian Investment Trust shares on September 30 and jointly hold 4,109,107 shares (7.62 per cent).

ASSOCIATES DEAL

Kitcat and Aitken sold on September 29 on behalf of an investment client 25,000 Pentos ordinary shares at 45p.

Causton acquires Hunkydory

Sir Joseph Causton and Sons, the lithographic and letterpress printer and stationer, has acquired **Hunkydory Designs**, which designs, publishes and distributes stationery products and distributes books.

The consideration is £300,000 in cash, paid on completion yesterday, and a further £100,000 in cash payable on May 1, 1981, subject to an agreement with Mr. Brian Shawcross, who owned 49.25 per cent of Hunkydory.

Further amounts in cash, also subject to the agreement, may become payable equivalent to the excess, if any, over the total payments already made, of 3½ times Hunkydory's pre-tax profits for the 12 months to April 30, 1981, or the 12 months ending September 30, 1981, depending on which is the higher.

The purchase will be financed out of existing bank resources.

Net assets of Hunkydory as at April 30, 1980 were £246,790, excluding a deferred tax provision of £45,600. Pre-tax profits for the year to that date were £161,650.

MINING NEWS

Minorco income set for new rise this year

BY KENNETH MARSTON, MINING EDITOR

THE YEAR to last June was one of transformation for the Anglo American Corporation group's Bermuda-registered **Minerals and Resources Corporation (Minorco)** as a result of the acquisition of major new investments and the release from its obligations to the struggling Botswana RST nickel-copper venture.

On a commodities basis, copper is of major significance to Minorco and enters the picture via the investments in Canada's **Hudson Bay Mining and Smelting, Inspiration** and **Zambia Copper Investments**, the last-named having recently returned to the dividend list after an absence of five years.

In all, Minorco says that the past year's reorganisation has improved the scope and balance of its investments "and will provide the base for further growth from within existing operations and by new acquisitions."

No forecast is given of current year's income prospects, but there is little doubt that a full year's income from the major new investments will boost revenue. Indeed nothing less is acceptable in view of the high market rating of the shares which at 670p yield little more than 1 per cent.

In the latest annual report, Minorco points out that these investments only contributed to income in the second half of the year. But as the results show, this was a substantial contribution, particularly in the case of the important 10 per cent stake acquired in the diamond holding concern, **Anglo American Investment Trust**.

Apart from this, the main revenue-producing assets are the holdings of 27.3 per cent in the U.S. **Engelhard Minerals and Chemicals Corporation**, a major refiner of precious metals and a general metal marketing organisation, **Anglo American Corporation of Canada, Inspiration Consolidated Copper** and the **Trend** oil group.

Minorco has a stake of 49 per cent in Zambia Copper Investments which, in turn, holds 40 per cent of the copper producing **Nchanga Consolidated Copper Mines**, 10 per cent of **Roan Consolidated Mines** and 12 per cent of **Botswana RST**.

Life improved from ZCI in the year to June 30. The Zambian copper mines resumed the declaration of dividends thanks to better metal prices—copper production was lower owing to shortages of skilled labour and equipment spares—while ZCI's obligations, and thus those of Minorco, to Botswana RST were shouldered by **De Beers**. Botswana RST, incidentally, is doing better as a result of higher production and improved copper prices.

After having resumed dividend payments for 1979-80, ZCI is now awaiting the receipt from Zambia of dividends declared by the copper producers.

Looking towards its own dividend prospects, ZCI points out that they are dependent on the profitability of the Zambian copper industry and, cautiously, it is pointed out that the medium-term outlook for the metal price is uncertain and "the risk of the development of a position of oversupply and a consequent decline in the copper price should not be underestimated."

HUDBAY SEEKING COURT RULING ON COMPENSATION

The **Anglo American Corporation** group's **Hudson Bay Mining and Smelting** has applied to the Court of Queen's Bench in Saskatchewan to determine the compensation payable to its **Churchill River Power** subsidiary arising from the termination of its licence to operate a hydro-electric plant at Island Falls.

Hudbay said that Churchill River Power claimed compensation of about C$76m (£27m) to July 1, 1978, but this amount will be adjusted to March 31, 1981, the expiry date of the licence pursuant to regulations.

The company added that the Government's Saskatchewan Power Corporation has not stated in court documents the amount of compensation it is prepared to pay for the power plant.

BP TO EXPLORE IN BRAZIL FOR METAL DEPOSITS

British Petroleum has created a new subsidiary in Brazil, **BP Mineracao** and will be investing U.S.$1m from now until the end of the year on prospecting for gold, copper, zinc and lead, reports our Sao Paulo correspondent.

Mr. Thomas Cheney, BP Mineracao's director-general, said that the company plans to enter into associations as a minority partner with Brazilian national companies from either the private or public sectors.

He said that BP sees no hindrance to the development of its mining activities in Brazil in the fact that the government limits the remission of profits to 12 per cent per annum.

Mr. Cheney went on to explain that the creation of BP Mineracao in Brazil is a continuation of BP's strategy of diversification of its activities into the mining sector, having recently acquired the UK-registered Selection Trust at a cost of £410m.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Alpine Holdings, Anglo American Investment Trust, Beaufort, City of London Brewery and Investment Trust, Downiebrae, F C Finance, First Castle Securities, P. and W. MacLellan, Austin Reed, Roverley Chemicals, Solicitors' Law Stationery Society, Wolstenholme Rink.

Finals—Anglo American Asphalt, Macallan-Glenlivet, Charles Sharpe.

FUTURE DATES

Interims—
Amalgamated Power Engineer'g ... Oct. 8
Associated Book Publishers ... Oct. 10
Bentalls ... Oct. 9
England (J. E.) ... Oct. 10
Farnell Electronics ... Oct. 7
Freemans (London, S.W.9) ... Oct. 6
Metal Box ... Nov. 24
Minet ... Oct. 6
Pickles (William) ... Oct. 6

Finals—
Cradley Printing ... Oct. 7
Kwahu ... Oct. 3
Lake and Elliot ... Oct. 14
Lawics ... Oct. 6

ROUND-UP

"Expectations for the year are good," says Mr. J. N. Fritz, chairman of the South African **Buffelsfontein** gold mine. The installation of new radiometric sorting machines will allow an increased ore tonnage throughput and enable the mine to maintain the grade of ore processed. Income from uranium is expected to be about the same as in the past year to June 30.

* * *

Helped by higher gold and antimony prices and increased efficiency at its Hillgrove mine in New South Wales, **Vam** reports a better than forecast profit of A$1.35m (£907,000) for the year to June 30 compared with only A$564,000 in the previous 12 months. The company was placed under provisional liquidation nine years ago but was subsequently re-listed.

* * *

America's **Ranchers Exploration** says it has what appears to a commercially mineable gold deposit in Montana. It is estimated that the find contains about 500,000 tons of ore grading about 0.2 ounces (6.2 grammes) gold per ton. Environmental requirements make it difficult to say when production can start but the company hopes that this will be some time next year if feasibility tests show it to be worthwhile.

FIRST NATIONAL BANK OF BOSTON

Downgraded but not downhearted

BY DAVID LASCELLES, RECENTLY IN BOSTON

MOODY'S Investors Service, the New York credit rating agency, caused something of a stir in Boston in June when it downgraded First National Boston Corporation, New England's largest financial institution, from the prized triple A level to double A.

The reason was "loan problems," the legacy of the real estate crash of the mid-1970s which afflicted many banks. But, Moody's said, these "have been more of a problem for this bank than for most others . . . despite significant improvements."

Although cuts in bank credit ratings are not unknown—First National Bank of Chicago and Bankers Trust have been among recent victims—they are somewhat unusual, and First National was quick to put out an announcement that it was "surprised" by the move. It noted archly that non-performing assets were declining and that capital strength (measured as the ratio of total assets to stockholders equity) put it in the upper quartile of the 20 largest U.S. banks—and higher still among the ranks of multinational "money centre" banks where it feels it belongs.

First National also paraded its financial record, including its 33 per cent and more increase in operating earnings per share in the 1977-79 period and its growing return on assets.

None of these achievements are, incidentally, disputed by Moody's which commented: "The corporation's financial and operating performance continues to demonstrate the traditional strengths, such as stable margins, excellent liquidity management, strong capital, and diversification of assets throughout New England, the U.S. and the world." Also, neither of the other rating agencies, Standard and Poors and Fitch's, downgraded the bank.

All of which makes Mr. Richard Hill, the bank's chairman, feel that there must be more to the downgrading than meets the eye.

In a recent interview at the bank's headquarters in Boston's business district, he conceded that his bank's non-perfoming assets were above average. But he thinks the downgrading had more to do with the politics of credit rating than problem loans.

He theorises that Moody's had trouble deciding whether to slot First National among the medium-sized banks, most of which are double A, or the giant banks, which tend to be triple A. With $15bn in assets, First National is the 16th largest bank in the U.S., which puts it among the regional banks. But its long experience and broad international connections makes it more akin to the $25bn plus banking giants of New York, Chicago and California. It is, after all, 196 years old, and has offices in some 30 countries.

Mr. Hill suspects that Moody's was faced with the choice of promoting banks of First National's size to triple A status too, or demoting First National. And rather than dilute triple A, it chose the latter course.

Moody's responds that this theory is "interesting" but it maintains its view that First National has problems. Actually, Mr. Hill says he is pleased that Moody's report specified non-performing assets because, he says, this means the agency will be forced to review its rating when First National's balance sheet improves, which it should over time.

Results for 1979—$m

	Net income	Total average assets
U.S.	67.24	7,031
International	16.98	5,778
(of which Latin America)	8.92	1,801
Total	84.22	12,809

Since the downgrading, the bank has managed to disentangle itself from another problem area: ship leasing. In 1975-76, it bought three very large crude carriers (VLCC's) for nearly $50m each. But the chartering market was softening fast and by the end of last year the bank was faced with the choice of ploughing a lot more capital into the programme to keep it going, or getting rid of the tankers. This summer it found a buyer in Tenafly, a company which will lease the vessels to Seatrain Lines. The bank said it expected to "realise a small gain on the transaction."

But while much of management's attention has recently been focussed on the problem areas, First National's long-term evolution has far less to do with the vagaries of the real estate and tanker markets than with its somewhat unusual market position.

First National is by far the largest bank in New England (its nearest competitor is half its size), which limits its growth prospects, particularly given that this is not the most dynamic area of the U.S. But First National has become used to seeking out its growth opportunities in far-flung regions or novel business areas. Boston's strong overseas trading links, particularly with Latin America, provided one big avenue for growth. First National is now among the strongest U.S. banks on that continent, though it is represented in Europe and the Pacific basin as well.

"The world was moving away from Boston, and we had to follow," said Mr. Hill, noting that the bank opened its first overseas office (in Buenos Aires), as long ago as 1917. Slightly more than one third of the bank's loans are now on the books of overseas offices. Of U.S. loans, more than half are to corporations with headquarters outside New England.

Mr. Hill maintains that this trend away from Boston will continue, particularly so long as Massachusetts banking laws make it difficult to expand within the state.

First National also prides itself on its innovative record in financing. It boasts among its former top executives Mr. Serge Semenenko, a Russian refugee who is credited with introducing term loans into U.S. banking. Mr. Semenenko, who is now something of a legend in banking, also struck up relationships with unexpected industries, such as motion pictures, which still flourish today. First National is deeply involved in film financing and claims to be Lord Grade's principal international banker.

More recently, the bank's interest in computer leasing brought it into contact with Lloyd's of London, which had made an ill-advised foray into computer lease insurance and now faces a number of expensive claims and lawsuits as a result. First National handles much of the U.S. financial end of this tangled saga on behalf of Lloyd's.

First National was also one of the first U.S. banks to go into the consumer finance business abroad when it opened its money shops in the UK in the early 1970s. According to Mr. Peter Read, the bank's executive vice-president for international banking, these have been a success and the number of offices has been expanded to 19.

Outcome near on Campeau bid for Royal Trustco

BY ROBERT GIBBENS IN MONTREAL

THE OUTCOME of a C$453m (U.S.$390m) takeover bid for Royal Trustco, Canada's largest trust company, with assets of C$7bn (US$6bn) and assets under administration of about C$19bn (US$16.3bn) is expected today. The Ontario Court of Appeal yesterday dismissed two applications by Trustco to halt the bid from Campeau Corporation, a property group built up by Mr. Robert Campeau, an Ottawa businessman.

Campeau's latest offer of C$23 per common share and C$32.78 for each preferred share expires today and Mr. Campeau has warned Trustco shareholders that the bid will not be extended.

On Tuesday a block of 1m shares in Trustco changed hands on the Montreal Stock Exchange at C$21 a share but the identity of the buyer remains unknown.

Mr. Campeau failed with his first bid of C$21 a share and C$29.93 per preferred share to get the required minimum of just over 50 per cent of the total Trustco equity.

Two weeks ago he raised the bid and extended the expiry date in an attempt to collect more Trustco stock.

This has been one of the most bitter takeover battles in recent Canadian business history. Despite Mr. Campeau's last-minute warning to Trustco shareholders, that after the expiry of the bid, Trustco stock would fall back in the market to its pre-bid level of C$16 to C$17 a share, there is no certainty that he will win sufficient shares to get control.

In Toronto yesterday Trustco claimed that Campeau has asked the U.S. Federal Reserve Board for permission to sell Trustco's seven banking units in Florida if Campeau's bid succeeds. Trustco said that it had filed documents with an Ontario Court which show that the Fed would consider a proposal by Campeau to create a trust to sell the banks if it obtains control of Trustco.

Under U.S. law, approval must be obtained from the Fed before ownership of 25 per cent or more of a bank can change hands. Trustco has always maintained that a successful bid by Campeau would violate Florida State banking legislation.

Kleber arbitration move against Conti Gummi

BY TERRY DODSWORTH IN PARIS

KLEBER-COLOMBES, the loss-making French tyre company, is preparing to seek international arbitration over the controversial decision by Continental Gummiwerke, of West Germany, to back out of last summer's merger agreement.

Continental's sudden and largely-unexplained decision not to go ahead with the cross-frontier deal has clearly shaken the French economy. Kleber says that it has received no explanation from Continental, although the Board of the German company met on September 19.

A short statement from Kleber says that it will be going to arbitration to make Continental "accept the responsibilities" undertaken in the agreement last July. At that time, the two groups announced a jointly-agreed deal designed to merge Continental's Uniroyal tyre subsidiary with the French tyre manufacturing concern, with Continental effectively taking over Kleber.

According to the companies, the deal was inspired by the need to create an organisation of sufficient size to compete effectively in world markets and protect employment in Europe. Continental would have acquired about 64 per cent of the Kleber equity at a price of around FFr 97m ($23m), mostly by buying shares owned by the Michelin group.

The deal would have been sufficient to create the second largest European tyre producer, after Michelin, employing 13,000 people. Kleber was to have maintained its separate identity, manufacturing under its own name, but, according to its management, it would have received badly-needed financial help to re-establish itself.

Hunts sell part of Bache stake

By Our New York Staff

MEMBERS OF the Hunt family have sold part of their 7 per cent interest in Bache, the Wall Street brokerage house which was at the centre of the family's silver troubles earlier this year.

In an announcement last night, it was stated that Placid Investment, a Hunt concern, had sold 3.31 per cent of Bache shares to Diamond Industries, a privately-held Philadelphia company. There was no mention of what, if anything, the Hunts had done with their remaining Bache stake.

The Hunts bought into Bache last year at a time when the brokerage concern was trying to fight off a possible unfriendly takeover by Canadian interests. The link between the brokers and the Hunts later became a matter of some controversy when the silver crash forced the Hunt's to sell or pledge their assets to cover their commitments.

INTERNATIONAL CAPITAL MARKETS

BNP launches $250m floating rate note issue

BY FRANCIS GHILÈS

A $250m floating rate note for Banque Nationale de Paris was launched yesterday, with the borrower and Credit Suisse First Boston in a joint position as lead managers.

The borrower will pay a coupon of ¼ per cent above the three-month London interbank offered rate for dollar deposits with a minimum coupon of 5¼ per cent. This FRN will mature in 1988, its exact maturity being seven years and three months. Investors also have the option of redeeming the bonds after four years and three months, which suggests that the paper will effectively be sold on the basis of a shorter than final maturity.

Commissions on the issue amount to 1⅛ per cent divided into a selling fee of 1⅛ per cent, an underwriting fee of ⅛ per cent and a management fee of ⅛ per cent, 30 per cent of which well be divided between the two joint lead managers. These fees are somewhat finer than those on some other recent bank FRNs because the maturity of the paper is shorter. This bond is the largest for a bank borrower since the $300m straight bond for Citicorp in June.

Gove Aluminium raises credit

BY PETER MONTAGNON

GOVE ALUMINIUM Finance has raised an A$228m credit from a consortium of banks led by Bank of New South Wales to finance its share of the Tomago aluminium project near Newcastle, New South Wales.

The 12-year credit, which incorporates an A$18m over-run provision, is constructed on a multicurrency basis. Margins are not being disclosed but interest will fluctuate over Australian Trading Banks bill yield rate when funds are drawn in Australian dollars and over Libor when funds are in a Eurocurrency.

There is a five-year draw-down period and repayments will be in 12 semi-annual instalments beginning in December 1986.

Bank of New South Wales said the credit is believed to be the largest ever project loan managed by an Australian bank. The loan syndicate is split into two groups comprising six major Australian banks and seven international banks. Each group is responsible for half the total facility.

Besides Bank of New South Wales, the Australian banks involved are: Commercial Banking Company of Sydney, Australia and New Zealand Banking Group, Commonwealth Trading Bank, Commercial Bank of Australia and National Bank of Australia.

The international banks are Citibank, Bank of America, National Westminster, Mellon Bank, Societe Generale, Sumitomo Bank and UBS.

The Australian dollar funding of the overseas participants will be provided by four of the Australian banks involved on a back-to-back letter of credit basis.

The Tomago project still has to obtain the necessary environmental and development approvals and the financing is contingent on these approvals.

The first stage of the project, with aluminium capacity of 110,000 tonnes a year, is expected to be complete by 1983 whilef ull production of 220,000 tonnes is expected by 1986.

Xerox and IBM change copier prices

By Paul Betts in New York

BOTH IBM and Xerox, the two U.S. office equipment rivals, announced yesterday some price changes on their photocopier equipment which were generally regarded by Wall Street as a coincidence rather than a sign a new price war between the two electronics giants.

IBM said it proposed in certain circumstances to reduce by 5 per cent rentals and leases of its Series 111 copiers. It also introduced two new copiers to its 111 series yesterday. The move was taken as an attempt by he company to improve its copier series 1 market appeal. Indeed, the Series 111 is not regarded as having been a great success so far by the industry as whole.

The new IBM pricing plan provides a 5 per cent reduction and a monthly management report to customers who buy, rent or lease at least four IBM Series 111 copiers including the two new models.

For its part, Xerox said it was increasing rental prices by just over 8 per cent, while sale prices on medium and high-volume copiers and duplicators would be increased by an average of 8 per cent.

But sale prices on low-volume copiers will not be changed, in a move which, analysts suggested, reflected Xerox' concern over Japanese competition in this field. Xerox also announced that service contract prices would be increased by an average of about 13 per cent.

FTC accuses cereal makers

By Our New York Staff

THREE LEADING cereal companies, Kellogg, General Mills and General Foods, were yesterday accused by the U.S. Federal Trade Commission of overcharging to the tune of more $1bn between 1958 and 1972.

The accusation is the culmination of several years of investigations by FTC staff and a report of 40,000 pages. The three companies had no immediate comment on the charges yesterday, but said they would file responses by the required deadline of January 30. However, the companies are expected to deny the charges.

The FTC contends that the companies operated a monopoly through which they were able to overcharge their customers. But the commission's analysis does not give a full breakdown of the alleged overcharging.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on October 1

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bnt. Oxygen F. 10¾ 90	50	82⅝	83⅛	+1⅛	−0½	14.05
CECA 11½ 88	100	91⅞	92⅜	+0⅝	−1⅛	13.16
Citicorp O/S Fin. 10 86	300	88½	89	+0½	−1⅛	12.88
Con. Illinois O/S 9¾ 86	150	86⅞	87⅜	+0⅛	−1⅛	13.04
Denmark 11¾ 90	100	91½	91⅞	+0½	−0⅜	13.36
Dome Petroleum 13½ 92	50	100⅜	101⅜	+0⅞	−0½	13.31
EEC 11 95	75	85⅜	85⅞	+0⅛	−1⅛	13.25
EEC 11 95	70	85¾	86¼	+0¾	−0½	13.18
EIB 11¾ 92	80	91	91½	+0¾	+0½	13.24
EIB 13¼ 90	100	101½	102	+0½	−0⅜	13.38
Eksportfinans 11¼ 87	50	93¼	93¾	+0⅞	−1	12.78
Eksportfinans 9½ 87	75	83⅜	85⅞	+0⅝	−0⅞	12.77
Elec. de France 10 88	125	86½	87	+0⅜	−0¼	12.77
Export Dv. Cpn. 12¾ 87	100	99⅛	99⅝	+0½	−0½	12.85
Export Dv. Cpn. 9½ 86	150	87¼	87¾	+0½	−0⅜	12.87
Federal Dev. Bk. 12¼ 85	75	97⅞	97⅜	−0⅜	−1⅛	13.06
Fin. Exp. Credit 10½ 85	50	90⅝	91⅛	+0½	−0⅝	13.17
Finland Rep. of 9½ 86	100	85⅞	86⅜	+0⅝	−0½	13.19
Ford O/S Fin. 12⅝ 85	250	96¼	96¾	+0¼	−0⅞	13.64
George Weston 13½ 87	30	99¼	99¾	+0⅝	0	13.57
GMAC O/S Fin. 11 84	100	94¼	94¾	+0⅞	−0¼	12.78
GMAC O/S Fin. 13⅜ 85	100	100⅞	101⅜	+0⅞	−0⅜	12.97
Goodyear O/S 12½ 87	75	96¼	96¾	+0¼	−0⅞	13.31
Hudson's Bay 11½ 90	75	91⅛	91⅝	+1⅛	−1⅛	13.09
IBM Canada 10½ 85	50	93⅜	93⅞	+0⅜	−1⅛	12.32
ICI Fin. Ned. 11 83	100	95⅜	96⅛	+0⅝	−0¼	12.86
Int. Harvester 12¾ 85	115	97¼	97¾	+0⅜	−0⅜	13.45
McGraw 13½ 85	75	99	99½	+0⅜	+0⅜	13.67
NorWest Ind. 13⅝ 87	50	98¼	98¾	+0½	−0⅜	13.81
Nova Scotia 10⅝ 90	50	87⅞	88⅜	+0⅜	−1½	12.94
OKB 10 85	50	91½	91⅞	+0⅜	−0⅜	12.47
Pembroke Capital 9¾ 87	100	†85⅞	86½	+0½	−0⅜	12.81
Pemex 11½ 88	100	91⅝	92¼	+1⅛	−0¼	13.21
Quebec Hydro 11½ 92	100	88⅜	88⅞	0	−1¼	13.48
Reposteel O/S 11½ 88	100	87⅜	87⅞	+1¼	+0½	14.20
Rovlease 11¼ 85	50	95⅛	95⅝	+0⅜	−0⅜	12.53
SNCF 12⅞ 85	50	99	99½	+0½	−0½	12.55
Swed. Ex. Cred. 12½ 85	40	97¼	97¾	+0½	−0½	13.20
UB Finance BV 11 90	50	84½	85	+0½	−2¼	13.92
Unilever NV 9¾ 90	100	83⅜	83⅞	+1½	−0⅜	12.75
World Bank 9¾ 85	200	89⅝	90⅛	+0⅝	−0⅞	12.70
World Bank 10¼ 87	300	88	88½	+0½	−1⅛	12.95

Average price changes... On day +0⅜ on week −0⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅞ 90	250	100¼	100⅝	+1	+0⅛	8.05
Austria Rep. of 8¼ 92	150	96½	97	−0⅞	−0⅛	8.70
BFCE 7¾ 87	100	94½	95¼	0	−1½	8.83
BFCE 8¼ 95	100	94½	95¼	−1⅞	−2⅝	8.74
Brazil 8 87	150	85¼	85⅞	+1	−0⅜	11.10
CECA 7⅞ 92	150	93⅜	93⅞	+0¼	−0⅛	8.75
Denmark 7⅞ 88	100	†96	97	0	−1⅛	8.71
Denmark 8¼ 92	100	†97¼	98¼	0	−0½	8.56
EEC 7⅞ 94	225	93⅜	94⅛	+0⅜	−1⅛	8.84
Finland Rep. of 8 86	150	95¼	96	+0⅜	−1⅛	8.94
Iberduero SA 9 90	100	†98	98¾	−0½	−0⅞	9.25
Japan Dev. Bk. 7¾ 87	100	95¼	95¾	0	0	8.51
Kobe, City of 8 90	100	97¼	97¾	+0½	−1¼	8.38
Mt. Bk. Denmark 8½ 90	150	†96½	97⅛	0	−1⅜	8.88
Norway 7½ 85	250	97	97½	+0¼	−1⅜	8.27
Nuclebras 9¾ 88	100	†96½	97¼	+0½	+0⅛	10.34
OKB 8¼ 92	150	96⅞	97⅜	+0⅜	−1¼	8.68
Oslo, City of 8¾ 90	80	99⅝	100⅛	+0⅛	−2⅛	8.76
Sweden 9¼ 87	200	†104¼	104¾	−0¼	−1½	8.79
World Bank 8 90	700	95¼	95¾	+0½	−1⅞	8.69
World Bank 7⅞ 90	250	93⅝	94⅛	+0⅝	−1½	8.84
World Bank 10 86	150	106½	107	−0⅛	−0⅜	8.41
Word Bank 10 90	200	107½	108	+0⅛	−0⅝	8.76

Average price changes... On day +0¼ on week −1⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria Rep. of 5¾ 90	100	97⅜	97⅞	−0¼	−0⅛	5.68
Bayer Int. Fin. 5¼ 92	100	98½	98¾	−0¼	−1½	5.41
Bergen, City of 6 90	50	†101	101½	−0⅛	−0⅛	5.82
BMW Overseas 4¾ 91	100	85⅛	85½	0	−0⅜	6.13
Buhrm'n-Tetterode 7 90	40	104½	104¾	0	+0⅝	6.33
Caisse Nat. Tele. 4¾ 89	100	†92	92½	−0⅛	+0⅛	5.50
Copenhagen Tele. 5¾ 90	60	94⅛	94½	0	−0⅛	6.55
Denmark 5¼ 90	80	97½	98	+0⅜	−0½	6.06
EIB 4⅞ 94	100	83	83¼	−0⅜	0	6.22
Elet. de France 4¾ 89	100	90½	90¾	−0½	−1⅞	5.78
Elet. de France 5¾ 90	100	94½	94¾	−0⅛	0	5.98
F. G. H. Hypo. Bk. 6 90	50	†100½	101	−0½	0	5.89
Finland Rep. of 5⅜ 90	80	93¾	94	+0¼	+1	6.48
GZB 4¾ 89	100	87¼	88	+0½	+0⅜	6.02
Int.-Amer. Dev. 4½ 89	100	90¼	90¾	+0⅞	+0⅜	5.97
Int.-Amer. Dev. 7 90	80	104	104¼	0	+0⅛	6.40
Jutland Tele. 5½ 90	50	†97	98	+0⅜	−0⅛	5.85
Mt. Blanc Tunnel 5½ 90	60	98¼	98½	−0½	−1	5.72
Newag 5¾ 90	80	99⅜	100	−0¼	0	5.78
Nippon Tel. & T. 4¼ 89	100	89¼	89½	+0¼	+0⅞	5.90
Norges Komm 4⅜ 91	100	85½	85¾	+0¼	+0½	6.21
OKB 4⅞ 91	100	85	85¼	+0¼	+0½	6.29
OKB 6 90	100	†102¼	103¼	+0⅜	+0⅛	5.58
Oslo, City of 4¾ 91	100	84⅝	84⅞	−1¼	−0⅛	6.33
Philips Lamps 5¾ 92	100	96⅝	96⅞	−0⅜	−0⅞	5.83
Sekisui Pre. Hms. 6 90	80	101¼	101¾	−0⅛	−0⅛	5.82
Shikoku El. Pwr. 4¾ 89	100	91⅝	91⅞	+0⅝	0	5.97
Trade Dev. Fin 6⅞ 90	50	94½	94¾	−0⅛	−1	6.39
Voest Alpine 5¾ 90	30	96	96¼	−0⅛	0	6.28
World Bank 4⅞ 89	150	87	87¼	−0¼	−0½	6.29

Average price changes... On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	91½	92¼	−0¼	0	8.85
Australia 6½ 88	20	87½	88¼	−0½	−0⅜	8.75
EIB 7⅜ 89	12	96½	97¼	+0¼	+0⅛	8.23
Finland 5.6 83	10	90⅝	91⅝	0	0	9.01
Finland 6.8 88	10	87⅝	88⅜	−0⅛	−0⅜	9.15
Finland, Rep. of 6⅞ 87	15	96¼	97½	−0⅛	−0⅞	9.00

Average price changes.... On day −0⅛ on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	91¾	92½	+0¼	+0⅜	12.70
CIBC 13½ 85 C$	50	98¼	99¼	0	−0⅜	13.82
CIBC 11½ 85 C$	60	94½	95	+0¼	0	13.01
Federal Dev. 11¼ 90 C$	60	87	88	−0¼	−0⅜	13.89
Fst. Con. Inv. 10 84 C$	50	89⅞	90⅜	+0⅜	+0½	13.62
GMAC 12 85 C$	50	†92½	93½	0	−0½	14.08
R. Bk. Canada 10 86 C$	40	91	92	+0⅜	+0¼	12.14
Tordom Cpn. 13½ 85 C$	30	98⅝	99⅛	+0⅛	−0½	13.74
M. Bk. Dnmk. 9 91 EUA	25	93⅞	95⅛	0	+0⅜	9.83
SOFTE 8¾ 89 EUA	40	88⅞	89⅞	0	−0⅛	10.13
U. Bk. Nrwy 9½ 90 EUA	18	99⅜	100⅝	0	+0⅜	9.48
Algemene Bk. 10¼ 87 Fl	400	99⅝	100⅛	0	−0⅝	10.21
Bk. Mees & H. 10 85 Fl	75	100⅜	101¼	+0⅛	−0⅛	9.71
F. G. Hypo 9¾ 87 Fl	80	96½	97	0	0	10.42
Heineken NV 10 87 Fl	75	99⅜	100¼	0	−0½	9.98
Nat. Inv. Bk. 10 87 Fl	75	98½	99	+0¼	+0½	10.25
Nat. Neder 9½ 87 Fl	80	96½	97	+0⅛	+0¼	10.17
Neder Mdn Bk 10 85 Fl	75	102	102¼	+0⅞	+0¼	9.44
Aero Paris 13¾ 87 FFr	150	97⅞	98⅜	−0⅞	−1⅜	13.60
CECA 14¾ 86 FFr	[illegible]	102½	103½	−0⅛	−1⅜	13.39
Finland 11 84 FFr	80	91	92	−0¼	−1½	13.88
Finland 11½ 89 FFr	70	89⅝	90⅝	−0¼	−0¼	13.45
Gaz de France 11 84 FFr	150	91½	92½	−1½	−3⅛	13.67
IBM France 11⅞ 84 FFr	120	93⅞	94⅞	−0⅜	−1½	13.66
Renault 9¾ 85 FFr	100	84½	85½	−1⅞	−2⅞	14.27
Solvay et Cie 9¾ 87 FFr	125	82⅞	83⅞	−0⅜	−1⅞	13.93
Utd. Mex Sts. 14 85 FFr	150	98⅞	99⅞	−0½	−1⅛	14.13
Beneficial Fin. 14¼ 90 £	20	98⅞	99⅜	+0⅝	+0⅝	14.38
Citicorp O/S 13½ 90 £	50	97⅞	98⅜	+0⅜	+0⅜	13.81
EIB 11½ 91 £	25	89	89⅜	+0½	0	13.40
Fin. for Ind. 14½ 88 £	20	101¼	101⅞	+0⅞	+0⅝	14.11
Fin. for Ind. 13¾ 87 £	20	98⅜	99½	+0⅝	+0⅜	13.95
Gen. Elec. Co. 12½ 89 £	50	95¼	96¼	+0⅜	+0⅝	13.30
Peugeot SA 14 90 £	23	98⅞	99⅜	+1⅛	+1⅛	14.15
Rothschild 14¼ 90 £	12	98⅝	99⅛	+0⅜	+0¼	14.43
Swed. Ex. Cr. 15¼ 85 £	20	103⅜	104⅛	+0¼	+0¼	14.00
Banobras 8¾ 90 KD	7	†90⅝	91½	−3⅛	−3⅛	9.75
CCCE 8½ 91 KD	10	†86⅝	87⅜	−2¼	−2⅞	10.19
Sonatrach 8½ 90 KD	12	†91¼	91⅞	0	−0⅜	9.88
Akzo 9¾ 87 LuxFr	500	92⅜	93⅜	−0¼	−0½	10.68
Euratom 8 87 LuxFr	500	86⅜	87⅜	−0¼	−0⅜	10.86
Euratom 9¾ 88 LuxFr	500	97⅛	98⅛	−0¼	−0⅜	10.21
EIB 9¾ 88 LuxFr	600	97⅛	98⅛	−0¼	−0⅜	10.15
Volvo 9¾ 87 LuxFr	500	94⅞	95⅞	0	−0⅜	10.69

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0¼	97½	98	2/1	10.44	10.68
Bank of Ireland 5¾ 89	‡0¼	98	98½	21/11	11¼	11.58
Bank of Tokyo 5¾ 89	‡0¼	97⅜	97⅞	25/10	9¼	9.49
Barclays O/S Inv. 5 90	0¼	97¼	97¾	13/12	9⅝	9.98
Bergen Bk. A/S 6 89	‡0¼	97½	98	29/11	12¼	12.53
Bilbao Int. NV 5¾ 90	0¼	96⅞	97⅜	29/11	10.06	10.35
Citicorp O/S F. 83	§‡0	98⅞	99⅜	23/11	11.44	11.54
Citicorp O/S F. 84	‡0	99¼	99¾	30/10	13⅛	13.21
C Itoh 5¼ 87	0¼	98⅞	99⅜	18/3	12⅞	12.98
Co-operative Bk. 6 88	0¼	98	98½	15/11	11.44	11.64
Creditanstalt 5½ 91	§‡0¼	97½	98	14/12	12.06	12.34
CNT 5¼ 86	§0¼	99⅛	99⅞	16/10	18⅛	18.19
GZB 5½ 89	‡0¼	97⅞	98⅜	1/11	9.81	10.00
Jugobanka 8 89	0⅞	91¼	93¾	23/11	11⅝	12.60
Ind. Bank Japan 5¼ 87	0¼	99	99½	15/10	18¾	18.89
Lloyds Eurofin 8 90 £	0¼	96⅝	97⅛	3/1	15¾	16.24
LTCB Japan 5¼ 85	0¼	98¼	98¾	13/12	9⅝	9.77
LTCB Japan 5½ 89	0¼	97⅞	98⅜	7/12	10⅛	10.33
Mfrs. Han. O/S 5¼ 94	‡0¼	97⅞	98⅜	30/11	12⅛	12.39
Midland Intl. Fin. 5 89	0¼	97⅜	97⅞	20/12	9½	9.73
Midland Intl. Fin. 5¼ 92	0¼	97¼	97¾	5/12	10⅞	11.15
Nacional Fin. 6¾ 86	0¼	97⅜	97⅞	25/1	9.69	9.92
Nat West 5¼ 94	§0¼	98⅛	98⅝	11/10	18⅝	18.93
Nippon Credit 6½ 86	0⅛	97	97½	12/1	9.56	9.83
Nippon Credit 5¼ 87	‡0¼	98⅜	98⅞	6/11	10⅞	11.03
Royal Bk. Scot. 5¼ 94	§‡0¼	98⅜	99⅛	11/10	9.31	9.42
Soc. C. de Bque. 6½ 87	0¼	97⅞	98⅞	3/10	20.06	20.45
Standard Chart. 5¼ 90	0¼	98	98½	6/3	12.06	12.28
Svenska Hndlsbk. 5 87	0¼	97⅜	98¼	15/1	10	10.20
Sweden 91	‡0¼	96⅞	97⅜	18/10	9.56	9.85
Williams & Glyn 5¼ 91	0¼	98⅛	98⅝	14/3	12.44	12.64
Bq. S. d'Alg. 4¾ 89 SF	0⅞	86	86⅝	18/12	6⅞	7.11

Average price changes... On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅞ 89	10/79	145	†121¼	122¼	+0⅛	−5.47
Ajinomoto 7¾ 95	2/80	615.5	135⅝	136⅝	+0½	−3.75
Apache I. Fin. 8¾ 95	12/80	21.12	†131	132	+3	−5.03
Blocker Energy 8¾ 95	1/81	21.87	106	107	+1	−4.44
Canon 6¾ 94	8/79	570	127¼	128¼	+2⅝	−0.04
Credit Suisse 4¾ 93	10/79	1278	115	117	−0⅛	−3.36
Daiei Inc. 6½ 94	11/79	927.3	96⅝	97⅝	+0⅛	19.01
DDKK 11 90	4/80	324	105¼	106¼	+0¼	15.56
Digicon Fin. 8½ 95	10/81	29.5	94½	95½	+1⅛	12.10
Dynolectron 9½ 95	8/80	12.22	†109	110	+3	1.91
Ensearch Fin. 9½ 94	7/80	30.25	135⅜	136⅜	+8	−1.28
INA Overseas 8¾ 2000	4/81	42	100¼	101¼	+0⅛	2.75
Inchcape Ltd. 8 96	2/81	4.55	107¼	108	+0½	−0.31
JACCS 7½ 95	11/80	565	101½	102½	+0⅝	1.90
Meidensha Elec. 7 94	12/79	210	106¾	107½	0	−0.66
MEPC 8¼ 96	2/81	2.47	106½	107½	+1	12.39
Ricoh 6⅞ 95	8/80	604	107	108	+3	1.59
SBC 6¾ 90	9/80	200	99¼	100¼	0	6.75
Tricorp. 8½ 95	12/80	31.25	97	98	+1¼	23.73
Union Bk. Switz. 5 89	2/80	121.4	97½	98¾	−0⅛	0.58
Fujitsu 5 84 DM	7/79	475	120¼	121¼	+2⅛	7.82
Sharp Corp. 6½ 88 DM	9/80	595	114¾	115¾	+2⅞	−1.55
Uny Co. 6½ 85 DM	11/79	1071	95½	96½	0	13.84

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in Currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Mitsubishi Australia to invest A$150m

By James Forth in Sydney

MITSUBISHI MOTORS Australia plans to inject A$150m (US$175m) into its Australian operation recently acquired from Chrysler of the U.S.

The Japanese group's expansion will take the planned investment by the five local car manufacturers to more than A$1bn over the next five years.

It coincided with a strong indication yesterday from Mr. Philip Lynch, the Minister for Industry and Commerce, that the Australian Government intends to continue its present policy of reserving 80 per cent of the market for manufacturers which comply with its 85 per cent local content plan.

Mr. Lynch said that any increase in imports above 20 per cent would disrupt the local market.

The planned investment by Mitsubishi will focus on product development. The largest single item will be the development of the Lonsdale engine plant to produce the four-cylinder Saturn engine for the Colt front-wheel drive car.

This will complement the Astron engine line commissioned almost a year ago. The A$150m will be financed from within Australia, using both company and loan funds.

Earnings dip at Ansett

By Our Sydney Correspondent

ANSETT Transport Industries, the domestic airline, transport and television group, reported an 8 per cent dip in profit for the year ended June from A$23.3m to A$21.3m.

The downturn was more than accounted for by a jump in tax from A$14.9m to A$24.6m—the pre-tax earnings rose 20 per cent to A$45.9m.

The board said that the airline results were excellent, despite soaring fuel prices, which now accounted for 29 per cent of total operating costs.

Ansett is jointly owned by Thomas Nationwide Transport and News Corporation, following a protracted struggle last year by several groups for control. The position of News at present is currently uncertain because the Australian Broadcasting Tribunal last week rejected approval for News to acquire the Ansett holding.

WEST GERMAN AEROSPACE

Krupp lifts shareholding in VFW

BY KEVIN DONE IN FRANKFURT

THE CREATION of a major new West German aerospace concern moved a step closer when United Technogies Corporation of the U.S. agreed to sell its stake in Vereinigte Flugtechnische Werke (VFW), the Bremen-based aircraft maker.

For several months the major shareholders in VFW have been negotiating a merger with Messerschmitt-Bolkow-Blohm of Munich with the aim of establishing a company that could compete profitably with the U.S. aircraft makers and co-operate with other European concerns, such as British Aerospace and Aerospatiale of France.

One of the stumbling blocks in the way of such a deal has been the complex shareholding arrangements of both VFW and MBB. But the chances of the merger going ahead have been improved by the unexpected move by United Technologies to sell its 26.4 per cent stake in VFW to the Krupp group, which already holds 35.2 per cent.

Negotiations between VFW and Messerschmitt appear to have some way to go, but it has been agreed that MBB will buy VFW outright, and that in return VFW's existing shareholders will receive 10 per cent of the enlarged group.

The price that Krupp will have to pay for its enlarged stake is still unclear because VFW and Messerschmitt shareholders are still arguing over a final valuation figure for the Bremen aircraft-maker.

This is the major point that is holding up an agreement between the two companies and the problem has been exacerbated by the big improvement in VFW's recent trading performance.

Vereinigate Flugtechnische Werke, which was divorced earlier this year from Fokker, the Dutch aerospace concern, dramatically increased its sales and profits last year with the major boost coming from its participation in the European Airbus programme.

It is not clear what advantage UTC expects to win from the move to sell its stake in VFW, but it said yesterday that it had "a strong desire to continue to participate" in the German aerospace industry.

UTC said from its headquarters in Hartford, Connecticut, that such participation could come through co-production agreements particularly for the manufacture of helicopters.

It has held its stake in VFW for more than 20 years and until this week UTC had shown little sign of being willing to relinquish its direct stake in the German aerospace industry.

It has in the past had co-production agreement with German companies — most notably for the manufacture of its CH-53 military helicopter — and it is clear that it is confident of winning further work in the future. It refused to say, however, whether it had received any assurances on future contracts either from the West German Government or from the remaining shareholders in VFW and MBB.

The sale by UTC of its stake effectively reduces U.S. aerospace interests in the two German companies to a tiny 0.99 per cent stake currently held in Messerschmitt by Boeing. Indirectly, Aerospatiale of France also has a holding in MBB.

Kaiser Aluminum spells out investment plans

BY JOHN WICKS IN ZURICH

CAPITAL expenditure totalling some $4bn is foreseen for the current decade by Kaiser Aluminum and Chemical Corporation of the U.S. Of this, $200m is being invested this year and about $300m in 1981.

In Zurich yesterday, Mr. William Hobbs, the company treasurer, said that the Kaiser group was to strengthen its position particularly in the alumina and aluminium sector, where a large share of spending will go towards the more efficient use of energy.

By the end of the decade, some 75 per cent of total Kaiser activity will still be in this field, said Mr. Hobbs. Fabrication capacities are to be expanded so that 85 per cent of all primary metal produced by the group can be processed by its own works.

The decade, he added, should provide a "good environment" for aluminium producers. Demand should grow over the coming five years or so by about 4 to 6 per cent annually, while total free-world capacity is seen as rising at an average 3.2 per cent over the next few years.

The company would continue to show a good return to shareholders. While the second half of 1980 is expected to be less expansive than the first half for Kaiser, "There was no question but that the year would prove a good one."

Ericsson Italian offshoot buys electronics concern

BY WILLIAM DULLFORCE IN STOCKHOLM

L. M. ERICSSON, the Swedish telecommunications group, confirmed yesterday that Setemer, the Italian holding company in which it has a 51 per cent share, has bought 81 per cent of the shares in FIAR, a Milan-based electronics company, from General Electric of the U.S. The purchase price is not being disclosed.

FIAR was wholly owned by General Electric, which is retaining a 19 per cent shareholding. It produces mainly military electronics at three factories in the Milan area and had sales of roughly $50m in 1979.

Ericsson's military electronics operation had sales of $135m last year and specialises in radar equipment. The acquisition of FIAR gives it "a company with development potential which also fits in with our own electronics operations," Ericsson said. It also gives Ericsson a production base in a NATO country.

Ericsson's total sales in Italy last year amounted to $275m, or about 12 per cent of group turnover. Through Setemer, the Swedish telecommunications group owns a manufacturing company, FATME, and a sales and installation company, SIELTE, in Italy.

Warning on costs from Asuag

BY OUR FINANCIAL STAFF

ASUAG, the largest watchmaking group in Switzerland, reports higher sales for the first half of 1980 but warns shareholders to expect costs to mount.

Helped by strong demand for electronic products, sales rose by 14 per cent to SwFr 609.8m ($370m). Sales of electronic products improved by 16 per cent to SwFr 262.3m but were a full 37.5 per cent ahead in volume terms a 5.5m pieces.

However, in a letter to shareholders Asuag explains that costs are now rising sharply, partly as a result of a move to index-link wages to the going inflation rate in Switzerland.

Order intake during April slowed but group order books at the close of June were "wider" than a year earlier.

Maiden result at merged brewer

BY OUR FINANCIAL STAFF

CASTLEMAINE TOOHEYS—reporting for the first time following the merger of the Brisbane brewer, Castlemaine Perkins with Tooheys of Sydney, has announced a profit of A$21.64m (U.S.$25.3m) for the year to July 31. The result more than doubles Castlemaine Perkins' last annual profit, and included Tooheys' contribution from the date of the merger in March this year.

Had all companies in the group been merged for the full year, the net result would have been a profit of A$30.47m, with Queensland operations contributing A$14.15m and Tooheys A$16.32m, the directors said.

Audited operating profit for the 12 months was A$21.62m, against the previous Castlemaine Perkins A$10.09m. Turnover was A$417.59m, against A$171.10m.

A final ordinary dividend of 10 cents has been declared, against 8 making a total for the year of 20 cents.

INTL. COMPANIES & FINANCE

Sony share issue to fund record capital spending

BY RICHARD C. HANSON IN TOKYO

SONY CORPORATION, which expects record earnings for 1979-80, yesterday announced plans to raise its dividend over the next three years. The company will also make a 15m share public issue to raise funds for a massive capital spending programme. At prevailing prices, the share issue would raise nearly Y50bn ($237m).

For the fiscal year ending this month, Sony will raise its dividend by Y5 per share over 1978-79 to Y30, subject to shareholder approval, with further increases to Y35 next year and Y44 per share for 1981-82.

Sony plans to spend a record Y60bn, including Y20bn overseas, next year to expand production capacity, particularly for home video tape recorders and magentic tape. By next May, the company said, its monthly production of VTRs will rise 50 per cent from present levels to 150,000 units per month.

Spending over the following two years is also expected to average around Y50-60bn annually.

The share issue, will be priced on the basis of Tokyo market prices at the time of payment, November 30. At yesterday's close in Tokyo, Sony shares had gained Y170 over the previous close to Y3,260. The shares will be offered outside of the U.S. and Canada.

Last month, Sony reported that its consolidated net profit for the first three-quarters of the year was up 270 per cent. Full year profit is expected to jump by 300 per cent over last year to more than Y60bn.

* * *

TOYOTA MOTOR COMPANY said that it plans to start a Y31bn ($385m) construction and expansion programme at its Kinuura factory near Toyota City, in central Japan, for the production of car transmissions and related parts, Reuter reports from Tokyo. The products, the company said, will be used in front-wheel drive passenger cars manufactured by Toyota.

Marginal fall at Myer Emporium

BY JAMES FORTH IN SYDNEY

MYER EMPORIUM, Australia's largest department - store retailer, continued the poor results from the industry with a 3.3 per cent dip in group earnings, from A$34.9m to A$33.76m (US$39.5m) in the year to July. The directors indicated that they did not expect to lift profit for the current year, but that the worst of the retail slump may be over.

The group's programme of new store openings and improvement of its merchandise information systems would lift profitability through the 1980s, but would increase costs in 1980 to 1981.

The dividend is held at 10.5 cents a share and is covered by earnings of 18.1 cents, compared with 18.8 cents in the previous year.

Group sales rose 10 per cent from A$1.15bn to A$1.27bn, but the profit per sales dollar slipped from 3 cents to 2.7 cents.

The directors said that the group's property-holding restructure was delayed by the Australian Government's decision to change the tax position of property trusts. They added that further studies were being made.

* * *

BURNS, PHILP AND CO., the diversified island trader and industrial group, has lifted its dividend after boosting profit by 23 per cent from A$14.3m to a record A$17.6m (U.S.$20.6m) in the year to June.

The result included earnings of A$1.26m from Hanimex Corporation, 66 per cent owned since January, and A$318,000 from S. Hoffnung and Co. since May. The finance company offshoot and the Papua New Guinea activities also registered strong gains in earnings.

Despite the higher result earnings per share were unchanged at 38 cents on higher capital. But the dividend is up for the third successive year, from 18 cents a share to 20 cents. The directors said the result reflected higher overall earnings from all operations.

Oriental well ahead

By Wong Sulong in Kuala Lumpur

ORIENTAL HOLDINGS, the Malaysia and Singapore-based assembler and distributor of Honda cars, has lifted pre-tax profit for the six months ended June by 123 per cent to 25.3m ringgit (US$11.9m).

The advance was attributed to the buoyancy of the Malaysian motor market and the strong performance of the company's subsidiaries, which are involved in motor spare parts, housing, finance and plantations. After-tax profit was 14.3m ringgit compared with 6.4m ringgit, and the interim dividend is lifted from 6 per cent to 7 per cent. Turnover rose by 70 per cent to 119m ringgit (US$56m).

The directors say the group is expected to make some heavy capital expenditure over the next 12 months in two of its subsidiaries.

Setback for Faber Merlin

By Our Kuala Lumpur Correspondent

FABER MERLIN, the Malaysian hotel and property group, has suffered a setback, with operating profit for the year ended June declining by 13 per cent to 5.34m ringgit (US$2.5m).

Turnover was 4 per cent higher at 50.2m ringgit (US$23.6m). After-tax earnings came to 2.57m ringgit, a 19 per cent fall compared with the previous year.

The erosion of profit was attributed to the property division, which has been responsible for much of the group's profitability in previous years. Substantially increased building costs dented margins, while a slower pace of building affected the inflow of earnings.

A final dividend of 2.5 per cent is declared, making an unchanged 5 per cent for the year.

Interest rate control move in HK

BY PHILIP BOWRING IN HONG KONG

HONG KONG intends to introduce legislation to give statutory recognition to the Exchange Banks Association (EBA), the grouping of licensed banks here. The idea had been mooted by Sir Philip Haddon-Cave, the Financial Secretary, in his budget in February and was officially announced yesterday by Sir Murray MacLehose, the governor.

The Association effectively acts as an informal interest rate cartel, determining interest rates paid by banks to public non-bank depositors. Prime lending rate is normally adjusted in line with EBA rate changes.

The main aim of the Government in giving statutory existence to the Association is to give the Government itself more influence over the determination of interest rates. During the past two years the EBA, usually responding to forces in the market place, has tended to ignore, or be slow to react to, Government exhortations to raise interest rates and dampen demand for credit.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1979							
1st qtr.	110.4	102.5	98	106.4	134.6	[illegible]	[illegible]
2nd qtr.	114.8	107.0	107	106.0	144.3	[illegible]	[illegible]
3rd qtr.	112.0	102.1	99	99.0	143.4	[illegible]	[illegible]
4th qtr.	112.5	102.8	106	101.0	151.0	[illegible]	[illegible]
1980							
1st qtr.	110.4	100.8	97	102.4	156.7	[illegible]	[illegible]
2nd qtr.	106.6	97.1	92	100.6	160.0	[illegible]	[illegible]
Feb.	110.4	101.0	97	103.1	157.5	[illegible]	[illegible]
March	109.0	98.2	105	101.8	158.4	[illegible]	[illegible]
April	106.3	97.9	94	101.3	159.7	[illegible]	[illegible]
May	106.1	96.3	92	99.7	158.9	[illegible]	[illegible]
June	107.1	97.2	89	100.7	161.1	[illegible]	[illegible]
July	106.4	96.7		99.0	159.4	[illegible]	[illegible]
Aug.				100.5		[illegible]	[illegible]
Sept.						1,794	[illegible]

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textiles etc.	Hous. starts
1979							
1st qtr.	103.9	99.1	127.0	98.7	98.4	100.0	13.3
2nd qtr.	108.8	102.7	133.1	102.5	110.0	103.4	[illegible]
3rd qtr.	105.9	95.9	133.3	94.7	102.8	100.5	[illegible]
4th qtr.	103.0	101.6	129.5	98.9	102.6	96.0	[illegible]
1980							
1st qtr.	104.8	101.5	124.2	98.2	60.3	91.9	12.2
2nd qtr.	100.1	96.3	122.3	93.6	88.5	88.4	16.2
Feb.	105.0	103.0	123.0	101.0	55.0	92.0	11.4
March	102.0	98.0	124.0	95.0	64.0	90.0	12.2
April	101.0	97.0	121.0	95.0	81.0	88.0	15.0
May	98.0	96.0	122.0	93.0	93.0	88.0	17.4
June	101.0	95.0	124.0	93.0	92.0	88.0	16.5
July	102.0	97.0	122.0	94.0	86.0	88.0	13.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,602	−966	−225	106.8	16.78
2nd qtr.	135.3	123.9	−325	−264	−220	106.2	21.66
3rd qtr.	129.8	128.1	−492	+ 5	−158	106.5	22.18
4th qtr.	129.3	128.9	−785	−639	−187	102.5	22.34
1980							
1st qtr.	132.2	126.5	−632	−162	−126	100.8	24.57
2nd qtr.	128.6	124.5	−301	− 68	− 29	102.3	
March	129.3	123.0	−126	+ 30	− 5	100.4	26.96
April	126.8	128.4	−303	−225	+ 26	101.8	28.01
May	129.8	120.8	− 1	+ 77	− 25	102.0	28.22
June	129.1	124.4	+ 3	+ 80	− 30	103.5	28.17
July	129.8	118.5	+361	+336	+102	103.8	28.87
Aug.	127.1	120.9	+ 63	+138	+ 10	105.8	28.28

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.2	8.4	32.6	+1,296	777	1,581	13
2nd qtr.	5.2	15.6	28.5	+2,628	777	1,867	14
3rd qtr.	12.0	11.2	13.2	+3,642	933	1,879	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,954	14
1980							
1st qtr.	−4.0	7.2	21.9	+1,724	634	1,974	17
2nd qtr.	−1.5	10.7	23.3	+3,218	697	1,972	17
Feb.	−6.7	6.5	20.7	+ 270	199	665	17
March	−2.3	8.3	35.4	+ 716	200	641	17
April	−4.0	5.9	18.8	+ 702	266	675	17
May	4.0	12.6	21.8	+1,147	225	621	17
June	−4.9	13.7	28.8	+1,369	206	676	17
July	11.7	36.5	50.8	+3,482	340	672	16
Aug.	11.2	40.8	46.4	+2,016	307		16
Sept.							16

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	258.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
1980							
1st qtr.	167.7	197.2	191.4	248.8	247.5	284.47	72.4
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	73.8
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.8	200.4	194.3	252.2	251.1	284.47	72.6
April	175.0	202.3	197.0	260.8	254.1	275.67	72.6
May	178.1	200.4	199.0	263.2	255.7	268.23	74.3
June	183.7	201.1	201.0	265.7	257.9	267.45	74.4
July	185.0	201.8	202.8	267.9	259.9	273.57	74.7
Aug.		201.3	203.7	268.5	259.0	275.38	76.2
Sept.						276.44	76.0

* Not seasonally adjusted.

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	23.9.80	30.9.80	AVERAGE YIELD	23.9.80	30.9.80
DM Bonds	95.30	93.83	DM Bonds	8.561	8.830
HFL Bonds & Notes	93.28	93.00	HFL Bonds & Notes	9.961	10.021
U.S. $ Strt. Bonds	87.33	86.31	U.S. $ Strt. Bonds	11.815	12.041
Can. Dollar Bonds	89.10	88.63	Can. Dollar Bonds	12.267	12.367

Companies and Markets

CURRENCIES, MONEY and GOLD

£ & $ ease

Sterling and the U.S. dollar both lost ground in currency markets yesterday in generally featureless trading. The dollar showed an easier tendency early in the day, possibly reflecting some switching into Japanese yen and Swiss francs. Later in the day however, it recovered as U.S. prime rates went to 13½ per cent from 13 per cent and was also buoyed by U.S. Treasury Secretary William Miller's remarks that high interest rates were needed to combat inflation. Against the D-mark, the dollar finished at DM 1.8080, down from Tuesday's level of DM 1.8120, but up from the day's low of DM 1.8020. Similarly against the Swiss franc, it finished at SwFr 1.6430 from SwFr 1.6525, after a low of SwFr 1.6370.

The yen continued to improve, and the dollar fell to Y208.50, its lowest level since March 1979, and compared with Y210.85 on Tuesday. On Bank of England figures, the dollar's trade weighted index fell from 83.8 to 83.5.

Sterling was easier overall, but rose from its lowest level of the day towards the close. Its trade weighted index finished at 75.8 from 76.0, having stood at 75.7 at noon and in the morning. Against the dollar it opened at $2.3830-2.3840 and rose to $2.3875 at noon. It touched a best level of $2.3950 during the afternoon but eased as the dollar came back. The pound closed at $2.3905-2.3915, a rise of 35 points from Tuesday.

D-MARK — one of the weaker members of the European Monetary System, and unsettled just recently by Middle East unrest, and the continued rise in U.S. interest rates. The D-mark is close to a four month low against the dollar and a four year low against sterling — There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt, when the dollar was fixed lower at DM 1.8055 compared with DM 1.8113 on Tuesday. Trading was fairly quiet in the dollar, with focus turning to the fast improving Japanese yen. The dollar was quoted at Y207.50 at one point compared with Y210 earlier, as the yen rallied, despite the current Middle East conflict. The dollar also weakened on a slightly easier tendency in Euro-dollar rates, although this was offset to some extent by expectations of higher U.S. prime rates. These expectations were realised later in the day with a number of major U.S. banks increasing their prime rate to 13½ per cent from 13 per cent. Elsewhere the D-mark was slightly firmer, with sterling fixed lower at DM 4.3210 from DM 4.3290, and the French franc easing to DM 43.095 per FFr 100 from DM 43.11.

DANISH KRONE—Remaining firm around the middle of the EMS, following two devaluations in 1979—The Danish krone was mostly weaker at yesterday's fixing in Copenhagen. The D-mark was higher at DKr 3.0895 against DKr 3.0878, and the French franc rose to DKr 1.3322 from DKr 1.3315.

JAPANESE YEN—Still firmer than a month ago, having been helped by the past weakness of the dollar, and a fundamental improvement in the Japanese economy. More recently, fears over a disruption in oil supplies from the Middle East, and a firmer trend in U.S. interest rates, have failed to check the yen's rise—The yen was firmer against the dollar in Tokyo yesterday, with the U.S. unit closing at Y209.20, compared with Y212.00 on Tuesday. The dollar's weaker tendency attracted central bank support, and after opening at Y210.50, it reached an 18-month low during the afternoon at Y209.10. The Bank of Japan was estimated to have bought around $400m

THE POUND SPOT AND FORWARD

Oct. 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3820-2.3950	2.3905-2.3915	0.75-0.65c pm	3.51	1.35-1.25 pm	2.17
Canada	2.7870-2.8000	2.7965-2.7975	1.45-1.35c pm	6.01	2.95-2.85 pm	4.15
Nethlnd.	4.67-4.71	4.69-4.70	2⅞-1⅞c pm	6.07	8½-5½ pm	5.11
Belgium	69.00-69.35	69.18-69.28	27-17c pm	3.81	52-42 pm	2.71
Denmark	13.30-13.35	13.33-13.34	par-1½ore dis	−0.73	2½-4½ dis	−1.01
Ireland	1.1460-1.1530	1.1515-1.1525	0.21-0.16p pm	1.93	0.38-0.33 pm	1.23
W. Ger.	4.30½-4.33½	4.32-4.33	3¼-2¾pf pm	7.63	7¼-6¾ pm	6.70
Portugal	119.30-120.10	119.55-119.75	par-40c dis	−2.00	15-115 dis	−2.17
Spain	176.10-176.90	176.60-176.70	75-130c dis	−6.96	305-385dis	−7.81
Italy	2049-2069	2057-2058	11½-14½ lire dis	−7.58	48-51 dis	−9.62
Norway	11.58-11.64	11.61½-11.62½	3½-2½ore pm	2.84	8½-6½ pm	2.62
France	9.99-10.04	10.02-10.03	3¼-2¾c pm	3.89	7½-6½ pm	2.79
Sweden	9.90½-9.95½	9.93½-9.94½	½-1½ore dis	−0.98	1½-2½ dis	−0.80
Japan	495-503	498-499	2.10-1.60y pm	4.45	5.15-4.55 pm	3.89
Austria	30.50-30.65	30.58-30.63	13-10gro pm	4.51	28-22 pm	3.27
Switz.	3.91-3.94½	3.92½-3.93½	3¼-2¾c pm	9.54	10-9 pm	9.67

Belgian rate is for convertible francs. Financial franc 69.40-69.50. Six-month forward dollar 1.32-1.22c pm, 12-month 1.50-1.35c pm.

THE DOLLAR SPOT AND FORWARD

Oct. 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3820-2.3950	2.3905-2.3915	0.75-0.65c pm	3.51	1.35-1.25 pm	2.17
Ireland†	2.0750-2.0815	2.0750-2.0770	0.20-0.10c pm	0.86	0.45-0.35 pm	0.77
Canada	1.1687-1.1715	1.1700-1.1703	0.33-0.28c pm	3.13	0.67-0.62 pm	2.20
Nethlnd.	1.9570-1.9630	1.9620-1.9630	0.52-0.42c pm	2.88	1.62-1.52 pm	3.20
Belgium	28.88½-28.96	28.94-28.96	2½-1c pm	0.73	7-5 pm	0.83
Denmark	5.5695-5.5795	5.5750-5.5765	1.85-2.35ore dis	−4.62	4.25-4.75dis	−3.23
W. Ger.	1.8020-1.8110	1.8075-1.8085	0.65-0.61pf pm	4.18	2.13-2.08 pm	4.66
Portugal	50.00-50.20	50.10-50.20	15-30c dis	−5.38	35-75 dis	−4.39
Spain	73.82-73.90	73.84-73.87	55-70c dis	−10.15	170-200dis	−10.02
Italy	859.20-860.90	860.40-860.90	7-8½ lire dis	−10.81	25-28 dis	−12.32
Norway	4.8565-4.8600	4.8570-4.8580	0.30ore pm-0.20dis	0.12	1.00-0.50 pm	0.62
France	4.1820-4.1940	4.1900-4.1915	0.13-0.03c pm	0.23	0.80-0.65 pm	0.69
Sweden	4.1525-4.1575	4.1560-4.1575	1.60-1.75ore dis	−4.84	3.20-3.35dis	−3.15
Japan	207.55-209.10	208.45-208.55	0.30-0.15y pm	1.29	0.85-0.70 pm	1.49
Austria	12.76½-12.80	12.77¾-12.78¾	1.30-0.70gro pm	0.94	4.25-2.50	1.06
Swit.	1.6370-1.6500	1.6425-1.6435	1.09-1.04c pm	7.78	3.14-3.09 pm	7.58

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Oct. 1	Bank of England Index	Morgan Guaranty Changes%
Sterling	75.8	−29.9
U.S. dollar	85.5	−9.9
Canadian dollar	80.1	−17.7
Austrian schilling	154.5	+24.1
Belgian franc	114.7	+13.0
Danish kroner	106.0	−5.0
Deutsche mark	152.9	+42.8
Swiss franc	197.3	+80.6
Guilder	125.7	+20.2
French franc	100.4	−6.2
Lira	52.2	−51.9
Yen	137.0	+34.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

Sept. 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	16	0.549529	0.585871
U.S. $	11	1.31244	1.39994
Canadian $	11.20	1.53621	1.64005
Austria Sch.	6¾	16.8320	17.9472
Belgium F	12	38.0870	40.6262
Danish K	12	7.37728	7.82146
D'mark	7½	2.37722	2.53515
Guilder	8½	2.57950	2.75214
French Fr.	9½	5.51159	5.88115
Lira	15	1131.32	1206.40
Yen	8.25	278.600	295.345
Norwgn. Kr.	9	5.39027	5.81211
Spanish Pts.	8	96.9895	105.491
Swedish Kr.	10	5.45395	5.82513
Swiss Fr.	3	2.16749	2.31158

OTHER CURRENCIES

Oct. 1	£	$		£ Note Rates
Argentina Peso	4609-4629	1930-1937	Austria	30.45-30.75
Australia Dollar	2.0320-2.0360	0.8510-0.8515	Belgium	68.90-69.50
Brazil Cruzeiro	136.96-137.90	57.39-57.59	Denmark	13.27-13.37
Finland Markka	8.74-8.76	3.6570-3.6580	France	9.96-10.06
Greek Drachma	102.178-104.886	42.80-42.90	Germany	4.30-4.34
Hong Kong Dollar	11.94-11.96	4.9985-5.0005	Italy	2050-2150
Iran Rial	n.a.	n.a.	Japan	496-501
Kuwait Dinar(KD)	0.634-0.640	0.2671-0.2672	Netherlands	4.67½-4.71½
Luxembourg Frc.	69.18-69.28	28.94-28.96	Norway	11.62-11.72
Malaysia Dollar	5.0725-5.0825	2.1230-2.1250	Portugal	117-125½
New Zealand Dlr.	2.4295-2.4345	1.0170-1.0185	Spain	170¾-180¼
Saudi Arab. Riyal	7.88-7.94	3.3190-3.3205	Sweden	9.92-10.02
Singapore Dollar	5.0075-5.0175	2.0965-2.0985	Switzerland	3.91½-3.94½
Sth. African Rand	1.8005-1.8015	0.7530-0.7535	United States	2.38¾-2.39¾
U.A.E. Dirham	8.77-8.83	3.6890-3.6905	Yugoslavia	71½-74

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5722	+1.97	+0.68	±1.53
Danish Krone	7.72336	7.82280	+1.29	—	±1.64
German D-Mark	2.48208	2.53405	+2.09	+0.80	±1.125
French Franc	5.84700	5.87764	+0.52	−0.77	±1.3557
Dutch Guilder	2.74362	2.75049	+0.25	−1.04	±1.512
Irish Punt	0.668201	0.675378	+1.07	−0.22	±1.668
Italian Lira	1157.79	1207.64	+4.31	+3.05	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Oct. 1	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.391	4.325	498.5	10.03	3.930	4.695	2058.	2.797	69.23
U.S. Dollar	0.418	1.	1.809	208.5	4.193	1.644	1.964	860.5	1.170	28.95
Deutschemark	0.231	0.553	1.	115.3	2.318	0.909	1.086	475.7	0.647	16.01
Japanese Yen 1,000	2.006	4.796	8.676	1000.	20.11	7.884	9.418	4127.	5.611	138.9
French Franc 10	0.998	2.385	4.314	497.3	10	3.920	4.683	2052.	2.790	69.06
Swiss Franc	0.254	0.608	1.101	126.8	2.551	1.	1.195	523.5	0.712	17.62
Dutch Guilder	0.213	0.509	0.921	106.2	2.135	0.837	1.	438.2	0.596	14.75
Italian Lira, 1,000	0.486	1.162	2.102	242.3	4.872	1.910	2.282	1000.	1.359	33.65
Canadian Dollar	0.358	0.855	1.546	178.2	3.584	1.405	1.679	735.6	1.	24.75
Belgian Franc 100	1.444	3.454	6.247	720.1	14.48	5.677	6.782	2972.	4.040	100.

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 1)

3 months U.S. dollars		6 months U.S. dollars	
13¼	13⅜	bid 13 5/8	offer 13 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Oct. 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16-16¼	12½-12¾	10-11	9⅜-9½	1-1¼	8 1/16-8 3/16	11⅝-11⅞	14-17	13⅛-13¼	9¾-10¼
7 days' notice	16-16½	12½-12¾	10-11	9½-9 11/16	2¾-3¼	8 1/16-8 3/16	11⅞-12⅛	18¼-20¾	14⅜-14½	10¾-11¼
Month	16¼-16⅜	12⅜-12⅝	10⅜-10¾	9 11/16-9⅞	5-5⅛	8 1/16-8 3/16	12¼-12½	23-24½	12½-12⅝	11¼-11½
Three months	15⅝-15¾	13⅛-13⅜	11¼-11⅝	10⅛-10¼	5 7/16-5 9/16	8 1/16-8 3/16	12½-12¾	25-26	13 1/16-13 3/16	11¼-11½
Six months	14¾-15	13⅜-13⅝	12-12⅜	10¼-10⅜	5¼-5⅜	8⅝-8¾	13-13¼	25½-26½	13 5/16-13 7/16	11-11¼
One Year	14 7/16-14¼	13⅛-13⅜	12⅜-12¾	10⅜-10 9/16	5⅝-5¾	8⅝-8¾	13¼-13½	24-25	13 5/16-13 7/16	10⅛-10⅝

Long-term Eurodollar two years 13⅛-13⅜ per cent three years 13⅛-13⅜ per cent; four years 13⅛-13⅜ per cent; five years 13⅛-13⅜ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 12.90-13.00 per cent; three months 13.10-13.20 per cent; six-months 13.15-13.25 per cent; one-year 13.10-13.20 per cent.

INTERNATIONAL MONEY MARKET

European rates mixed

European interest rates showed no clear trend yesterday in generally featureless trading. In Frankfurt the Bundesbank announced its intention not to hold a press conference after today's regular fortnightly meeting of the central council. On previous occasions this has been taken by the market as a sign that credit policies are to be left unchanged. However the new President of the Bundesbank, Karl Otto Poehl, has previously made clear his dislike of this system, pointing out that the announcement of a press conference can cause unnecessary market tension. Although no moves are expected by the market today, it seems possible that future moves may be announced without prior intimation. In the money market call money was quoted at 9.05 per cent compared with 9.00 per cent on Tuesday, with period rates also showing a slightly firmer tendency.

In Milan prime rates rose to 21 per cent from 19-19½ per cent previously, after the 1½ per cent rise in the discount rate to 16½ per cent over the weekend. Some sources suggested that the delay in increasing prime rates had been partly attributable to the fact that a number of leading bankers were attending an IMF meeting in Washington.

In Paris call money eased from the two-month high of 11⅞ per cent seen on Monday to 11⅝ per cent. Longer term rates were also easier.

MONEY RATES

NEW YORK	
Prime Rate	13-13½
Fed. Funds	12½-13¼
Treasury Bills (13-week)	11.48
Treasury Bills (26-week)	11.50
GERMANY	
Discount Rate	7.50
Overnight Rate	9.05
One month	9.15
Six months	9.00
FRANCE	
Discount Rate	9.5
Overnight Rate	11.75
One month	11.9375
Three months	12.1875
Six months	12.3125
JAPAN	
Discount Rate	8.25
Call (Unconditional)	11.375
Bills Discount (three-month)	11.46875

UK MONEY MARKET

Adequate supply

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

Day-to-day credit was in adequate supply in the London money market yesterday, and discount houses balanced their books without official intervention. Credit conditions did tighten up towards the close however. The market was faced with the unwinding of a previous sale and repurchase agreement, involving a moderate number of commercial bills. On the other hand, banks brought forward balances a moderate way above target, and Government disbursements exceeded revenue transfers to the Exchequer by a small amount. Discount houses were paying around 15 per cent for secured call loans at the start, with later balances taken between 15¾ per cent and 16 per cent.

In the interbank market overnight loans opened at 15¾-16 per cent and eased on the forecast to 15½-15¾ per cent before coming back during the afternoon to 16½ per cent. Later balances were taken around 14 per cent.

GOLD

Firmer trend

Gold rose $10 an ounce in the London bullion market yesterday in generally quiet trading, to close at $679-682. The metal opened at $678-681, its low for the day, and traded within a narrow $5 spread. The Iran/Iraq conflict appeared to have a lessening effect on trading, with some new buying during the afternoon pointing towards a bullish trend.

In Paris the 12½ kilo bar was fixed at FFr 91,900 per kilo ($683.25 per ounce) compared with FFr 91,500 ($679.22) in the morning, and FFr 90,200 ($668.5) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 39,710 per kilo ($683.50 per ounce) against DM 39,080 ($670.98) previously, and closed at $681-683 per ounce compared with $667-670 on Tuesday.

In Zurich gold finished at $681-684 from $667-670 previously.

	Oct. 1		Sept. 30	
Gold Bullion (fine ounce)				
Close	$671-682	(£284-285¼)	$669-672	(£280-281½)
Opening	$678-681	(£284¼-285½)	$668-671	(£279½-281)
Morning fixing	$679.25	(£284.443)	$670	(£280.511)
Afternoon fixing	$682	(£285.391)	$666.75	(£279.010)
Gold Coins				
Krugerrand	$699-701	(£292-294)	$688-690	(£287½-289½)
1/2 Krugerrand	$357-362	(£149-152)	$353-358	(£147-150)
1/4 Krugerrand	$180¾-184¾	(£75½-78)	$178-183	(£74-77)
1/10 Krugerrand	$73¼-76¼	(£30½-32½)	$72-75	(£30-32)
Mapleleaf	$694-697	(£290-293)	$682-686	(£285-288)
New Sovereigns	$172-173	(£71¾-72¾)	$169½-170½	(£70¾-71¾)
King Sovs	$194½-196½	(£81-82½)	$192-194	(£80-81½)
Victoria Sovs	$194½-196½	(£81-82½)	$192-194	(£80-81½)
French 20s	$158-169		$165½-167	
50 pesos Mexico	$845-848		$835-839	
100 Cor. Austria	$664-668		$650-655	
$20 Eagles	$785-789		$775-779	

LONDON MONEY RATES

Oct. 1 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	14-16½	—	—	—	16¼-16¾	15-16	—	—	—
2 days notice	—	—	16⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅛-16¼	16¼	—	16½	16½-16¾	15⅝-15½	—	—	—
One month	16¼-16⅛	16⅛-16⅜	16¼-16⅜	17-17⅛	16⅝	16¼-16⅞	15⅜	14⅝	15⅞	16¾
Two months	16-15⅞	16-16⅛	—	16-16½	16⅜	—	14¾-14⅞	14½	15⅝-15¾	16⅛
Three months	15⅞-15⅝	15½-15⅝	15¾	15⅞-16⅛	16	16-16¼	14¼-14½	14⅜-14⅝	15⅛-15⅞	15⅞
Six months	15⅞-15¼	14⅞-15	14⅞	14½-14⅞	15⅛	15⅛	—	—	13¾-13⅞	14½
Nine months	14-13⅞	14¼-14⅜	—	14½-14⅞	14⅞	15⅛	—	—	—	—
One Year	13⅝-13⅜	13⅞-14⅛	14⅛-14¼	13⅞-14¼	14¼	14¾	—	—	—	—
Two years	—	—	13¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13½ per cent; four years 13½ per cent; five years 13½ per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14⅝-14⅜ per cent; four-month trade bills 15⅛ per cent.

Approximate selling rate for one-month Treasury bills 14 5/16 per cent; two-months 14 5/16-14⅛ per cent; three-months 14 1/32-14⅛ per cent. Approximate selling rate for one-month bank bills 15 11/16 per cent; two-months 15 27/32-15 3/16 per cent; three-months 14 29/32-14 15/16 per cent; one-month trade bills 16½ per cent; two-months 16 per cent and three-months 15¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association): 16½ per cent from October 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.3317 per cent.

Zambia Copper Investments Limited

INCORPORATED IN BERMUDA

From the review by the President, Mr. M. B. Hofmeyr

Financial results

For the financial year under review profits before extraordinary items amounted to US$3,782,000, compared with US$1,024,000 recorded in the previous financial year. Dividend income increased from US$7,000 to US$1,299,000, while interest and other revenue declined marginally from US$1,974,000 to US$1,941,000. Profit on redemption of loans increased from US$79,000 to US$122,000 and profit arising from currency fluctuations rose by US$1,260,000 to US$1,733,000. Total income for the year therefore increased from US$2,533,000 to US$5,095,000. Administration and interest expenses were US$1,000 lower at US$877,000, while taxation payable declined from US$631,000 to US$436,000, leaving a profit before extraordinary items of US$3,782,000, compared with US$1,024,000 the previous year.

In terms of the agreement between De Beers Consolidated Mines Limited (De Beers), Minerals and Resources Corporation Limited (Minorco) and this Company in respect of Botswana RST Limited (BRST) and BCL Limited (BCL), which is discussed later in my review, the Company transferred to De Beers its investments in and loans to BRST and BCL, with the exception of the equity investment in BRST. The Company had already provided in full against those investments and loans with the exception of certain senior loans to BCL totalling US$5,375,000, which loans have now been written off. This write-off, together with the costs incurred in relation to the above-mentioned agreement amounting to US$200,000, have been treated as an extraordinary item. The directors have decided that this deficit should be financed by the transfer of an equivalent amount from share premium account and members will be asked at the forthcoming annual general meeting to approve the action taken by the board in this regard.

Copper market

A major feature of the economic scene in 1979 was the deferment of the expected economic decline which was referred to last year. As a result the economic performance of the major industrial nations was stronger than expected, demand for copper was well maintained and consumption in the western world rose by some 5.5 per cent over the previous year. Despite an increase in mine output and improvement in scrap recoveries which accounted for a rise of 2.3 per cent in refined production, the net shortfall led to a reduction in the level of stocks which had been accumulated in the industry and The London Metal Exchange (LME) stocks, which had stood at 194,000 tons at 30th June 1979, were reduced to 110,000 tons a year later.

These changes and alternating hopes and fears about economic prospects produced volatile price movements. In July 1979, the LME price stood at £803 a tonne, marginally below the £813 level at which the year opened, having risen in the meanwhile to over £1,000 in April. By December it had again broken the £1,000 level. Thereafter copper was caught up in the speculative movement which swept the market for precious metals, notably silver, and reached £1,374 in February of this year. Following the collapse of the silver boom, the onset of the long-expected recession, high interest rates in the United States and ever-climbing oil prices, copper drifted back to £859 per tonne at the end of June.

The future of the copper market is dependent on the weights of conflicting uncertainties, namely the extent and intensity of the economic slow-down, the growth in productive capacity in the United States and elsewhere following the earlier price rise, and the duration of the U.S. copper miners' strike. The hope is for a rough balance of supply and demand but a risk of oversupply cannot be ignored.

The Zambian mining industry

Shortage of experienced technical staff and equipment spares resulted in lower output, but the higher copper prices and the maintenance of a cobalt price of US$25 per pound throughout the period under review permitted both Nchanga Consolidated Copper Mines Limited (NCCM) and Roan Consolidated Mines Limited (RCM) to achieve substantially improved financial results.

NCCM's production of finished copper during the year ended 31st March 1980 amounted to 359,816 tonnes, compared with 368,332 tonnes during the previous year. RCM which has recently changed its financial year-end to 31st March produced 177,424 tonnes of copper during the nine-month period to 31st March 1980, as against 255,543 tonnes for the 12 months ended 30th June 1979.

Sales of copper by NCCM for the financial year to 31st March 1980 were 363,815 tonnes (1978/79: 365,551 tonnes) at an average realisation price of K1,690 per tonne, compared with the K1,159 per tonne recorded the previous year. Proceeds from the sale of all metals totalled K701.7 million, an increase of K212.8 million or 43.5 per cent over the previous year. Cost of sales amounted to K546.1 million as against K441.1 million for 1978/79. After taking into account administrative and other expenses, of which net interest payable totalled K24.0 million, NCCM more than doubled its after-tax profit from K25.9 million to K56.2 million.

During the nine-month period to 31st March 1980, sales of copper by RCM amounted to 178,471 tonnes (12 months ended 30th June 1979: 273,742 tonnes). The average realisation price was K1,720, as against K1,275 for the previous financial year. Proceeds from the sale of all metals were K387.5 million and cost of sales amounted to K274.5 million, compared with K397.1 million and K315.5 million respectively recorded the previous year. After administrative and other expenses, including net interest payable of K8.2 million, RCM achieved an after-tax profit of K84.5 million for the nine-month period, as against the after-tax profit of K63.9 million recorded the previous financial year.

The industry again suffered from transport delays during the year under review. The Tazara line to Dar-es-Salaam was affected by a serious washaway after heavy rains and by damage to a railway bridge which occurred late in 1979. These problems were compounded by congestion at Dar-es-Salaam and although this port still handles the bulk of copper exports, increasing use was made of the southern rail route to East London.

Relationship with BRST and BCL

As explained in the circular to members dated 22nd October 1979, in terms of the agreement between this Company, De Beers and Minorco, De Beers effectively undertook from 1st July 1979 Minorco's obligations in respect of BRST/BCL, while this Company was released from its counter indemnities granted to Minorco. In addition, De Beers lent this Company sufficient finance to enable it to repay its loan obligations to Minorco.

As consideration for these arrangements the Company transferred to De Beers its holding of 19.7 per cent of the preference share capital of BCL, and ceded to De Beers its interest in promissory notes representing loans to BRST and BCL together with its interest in promissory notes issued by BCL in respect of royalties. It also granted De Beers a fixed charge over all of its assets, including those of its subsidiary companies, as security for the repayment to De Beers of any contingent liabilities paid by De Beers in regard to BRST and BCL.

The Company has, however, reserved the right, in the event that BRST and BCL perform satisfactorily and after De Beers has recovered, together with a 25 per cent return thereon, all amounts advanced from 1st July 1979 by that company directly or indirectly to BRST and BCL in respect of ZCI's former interest therein, to recover some US$8.5 million, together with accrued interest, from the cash flow received by De Beers in respect of the investments in and loans to BRST and BCL transferred to De Beers by ZCI. While the prospect of receiving such funds remains distant at present, I am pleased to report that the performance of BRST and BCL has improved significantly during the last 12 months, predominantly because of higher production and improved metal prices.

Externalisation of dividends from Zambia

As at 30th June 1979, the kwacha equivalent of some US$6.95 million of dividend income from the Zambian copper mines, which accrued in the financial year ended 30th June 1975, remained blocked in Zambia. These dividends, together with the Company's share, amounting to some US$0.62 million, of the RCM dividend declared in respect of the year ended 30th June 1979, were externalised during the course of the year under review. The proceeds were partly utilised to repay the balance of the loan provided to the Company by De Beers in terms of the agreement between De Beers, Minorco and this Company.

In addition, RCM, in respect of the nine months ended 31st March 1980, declared an interim and final dividend of K0.15 and K0.25 per share respectively, of which the Company's total share amounted to the kwacha equivalent of US$1.9 million, while NCCM declared a dividend of K9.3 million in respect of the year ended 31st March 1980, of which the Company's share was the kwacha equivalent of US$4.8 million. These amounts are at present awaiting externalisation from Zambia. Of the above-mentioned dividends, only the interim dividend declared by RCM has been accrued as income during the year under review, as the last dates for registration in respect of the other two dividends occurred after the Company's financial year-end.

Declaration of a dividend and future prospects

Members will recall that in terms of the aforementioned agreement with De Beers, certain restrictions were placed on the Company's ability to declare dividends. As a result of the externalisation from Zambia of dividends referred to earlier and which were accrued in the year ended 30th June 1975, the Company has sufficient cash resources to pay a dividend and, as at 30th June 1980, none of the events specified in the agreement with De Beers which would prevent the payment of a dividend had occurred. In consequence the Company has declared a dividend of 3.5 cents per ordinary share which will absorb some US$4.29 million.

The future prosperity of the Company, and its consequential ability to declare dividends, is dependent on the continued profitability of the Zambian copper mining industry which in turn is reliant in the main upon satisfactory copper and cobalt prices. As mentioned earlier in my review, the medium-term outlook for copper remains uncertain, and the risk of the development of a position of oversupply and a consequent decline in the copper price should not be underestimated.

Copies of this review and the report and accounts are obtainable from the London Office of the Company at 40 Holborn Viaduct, London EC1P 1AJ or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

WORLD STOCK MARKETS

NEW YORK

Wall St. firming at midsession

AFTER TUESDAY'S recovery, Wall Street stocks tended easier early yesterday as news of another rise in Prime Rate dampened sentiment. However, the tone had improved by mid-session on fresh bargain hunting, and prices were mixed to firmer on balance with the Oil group featuring strongly.

The Dow Jones Industrial Average, which regained 10.49 on Tuesday, was a marginal 0.56 higher at 933.28 at 1 pm. The NYSE All Common Index managed a fresh net rise of 42 cents at $72.80, while rises led declines at mid-session by a seven-to-six margin. Trading remained active, with 30.96m shares changing hands compared with the 28.60m registered at 1 pm the previous day.

Chase Manhattan Bank led a rise in the Prime by several major banks yesterday morning to 13¾ per cent from 13. Analysts said investors are concerned that he Federal Reserve may push rates still higher to bring money supply growth under control.

Volume leader Norton Simon lost ¼ to $15¼. Turnover included blocks of 335,000, 200,000 and 111,400 shares traded at $15.

Active Colonial Penn shed $1 to $17¼. A block of 305,000 shares were moved at $16¾. On Tuesday, Colonial Penn said it lost a bid to continue underwriting group health insurance plans of the National Retired Teachers Association from June 30, 1981. Prudential Insurance won the contract.

Fred Meyer receded 1¾ to $34 bid in over-the-counter trading. The board has rejected a $45 a share take-over bid from investment bankers Kohlberg, Kravis, Roberts and Co. American Telephone lost $1 to $50¾, a 100,000 share block was moved at $51.

Atlantic Richfield gained 3⅛ to $55¼, Amerada Hess 1⅞ to $35¾ and Texaco ⅞ to $36⅞. Superior Oil jumped $7 to $220¼, Standard Oil (Ohio) $4 to $61¾ and Union Oil of California $2 to $39¼.

THE AMERICAN SE Market Value Index was 2.10 firmer at 333.65 at 1 p.m. after volume of 3.25m shares (3.40m).

Volume leader Houston Oil rose 2¼ to $39¼. It forecast higher prices next year for its natural gas and higher production as well.

Canada

Markets were mixed at mid-day after further busy trading. The Toronto Composite Index shed 1.0 to 2,250.0 and eight of 14 sub-indices declined, but gains outnumbered losses by 223 to 140 on the Exchange.

The Gold shares index rallied 72.9 more to 8,004.0, but Oil and Gas lost 13.9 to 4,526.0.

Tokyo

With sentiment boosted by the good overnight Wall Street rally, renewed strong foreign demand for selective Tokyo issues was seen yesterday but the market overall was mixed.

Trading volume was a substantial 530m shares (330m), while the Nikkei-Dow Jones Average moved ahead 46.62 more to a fresh record peak of 7,123.08 and the Tokyo SE index added 1.28 at 490.07. However, declining issues on the First Market section narrowly outscored rises by 338-to-317.

Energy shares advanced on apprehension over future oil supplies due to the Middle East conflict. Nippon Oil gained Y20 to Y1,470, Toa Nenryo Y100 to Y970 and Koa Oil Y48 to Y720.

Some Blue Chips moved sharply higher, especially Light Electrical concerns Sony, up Y170 at Y3,260, TDK Electronic, Y120 stronger at Y3,080, and Victor, Y40 higher at Y1,960. Olympus rose Y60 to Y1,120, Hitachi Y7 to Y327 and Canon Y13 to Y713.

Sugars, Foods, Constructions and Textiles were also preferred, while Mitsui Real Estate, Y5 firmer at Y532, and some other large-asset shares, moved up on rising land prices.

Trading Houses, in contrast, generally weakened, with Mitsubishi losing Y10 to Y670 and Mitsui Y8 to Y363.

Hong Kong

The market staged a strong recovery yesterday in further heavy dealings, with operators buying back oversold positions following the liquidations of recent days. An easing in local Interbank Rate encouraged speculation that an increase in local interest rates is not after all imminent, dealers commented. The Hang Seng index, having receded 100 points, mainly on interest rate worries, since establishing a new seven-year high on September 22, rebounded 26.92 to 1240.60.

Germany

Helped by foreign demand, Bourse prices generally recouped some of their recently lost ground. The Commerzbank index rallied 4.9 to 724.4.

Market observers said that foreign investors, possibly inspired by the upswing on Wall Street overnight and higher U.S. Bond prices, made some purchases of German stocks yesterday. Brokers warned, however, that the market was basically insecure over where interest rates worldwide were heading, with conflicting signals for U.S. rates.

The Domestic Bond market was somewhat steadier after the recent falling trend. The Bundesbank sold DM 9.1m nominal of stock, after buying DM 33.5m the previous day, while Public Authority issues registered both gains and losses limited to 30 pfennigs. Mark Eurobonds were steady to firm, having halted the recent slide.

Paris

French and foreign share prices wer mostly higher at the end of a fairly busy session on the Paris Bourse, thanks to the recovery on Wall Street overnight.

Banks, Foods, Constructions, Electricals, Metals, Oils and Chemicals strengthened, with Investment Portfolios the only sector where prices were generally lower.

Valeo lost FFr 14.5 to FFr 321.5 on announcing group net profit of only FFr 46m for the first half of 1980, against FFr 102m for the 1979 first-half.

Thomson CSF, another weak exception which on Tuesday said it expected group net profits this year to be only slightly higher than last, declined FFr 11 to FFr 485.

Australia

Stock Market trading remained hesitant yesterday as the Federal Election campaign moved into full swing, and share prices mainly failed to establish a decided trend. The Gold Mining sector, however, was in firm fettle, encouraged by the steadier international Bullion price.

Among Golds, GMK advanced 40 cents to A$10.70, Central Norseman 30 cents to A$12.50, Emperor 15 cents to A$4.75 and Kitchener 60 cents to A$8.00.

Elsewhere in Mining, Pancontinental rose 30 cents to A$8.10 ahead of the listing of its oil offshoot today. MIM, however, reduced 16 cents to A$5.10, following a two-day advance of 51 cents on U.S. buying.

Overall nervousness tended to detract from the formal announcement of the start-up of the North West Shelf gas project, and Woodside eased 2 cents to A$3.25, but major partner, BHP, managed to rise 15 cents to A$16.00.

Johannesburg

Gold shares rose sharply in fairly active trading, with heavy overseas buying of high-priced issues noted, as the Bullion price climbed.

Heavyweight gains stretched to 750 cents, as in Vaal Reefs, R106.50, while Western Deep advanced 650 cents to R83.00 and Buffels 500 cents to R70.

Closing prices for North America were not available for this edition.

CANADA

Stock	Sept. 30	Sept 29
Abitibi	22½	21⅞
Agnico Eagle	21	20
Alcan Alumn.	42	40⅝
Algoma Steel	35	34¾

BELGIUM (continued)

Oct. 1	Price Frs.	+ or —
Petrofina	5,000	+15
Royale Belge	5,720	
Soc Gen Banq	2,220	
Soc Gen Belge	1,182	+6
Sofina	3,330	—5

HOLLAND

Oct. 1	Price Fls.	+ or —
ACF Holding	65	—1
Ahold	68.5	+2
AKZO	20.4	—0.1
ABN	307	
AMEV	89	+0.5

AUSTRALIA

Oct. 1	Price Aust. $	+ or —
ANZ Group	4.48	—0.02
Acrow Aust.	1.05	—0.05
Allstate Expl.	2.45	
Ampol Pet.	1.60	—0.05
Assoc. Pulp Pap.	2.17	

JAPAN (continued)

Oct. 1	Price Yen	+ or —
Kubota	379	
Kumagai	430	+6
Kyoto Ceramic	3,580	+60
Lion	378	—2
Maeda Cons.	538	—8

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices.

COMMODITIES AND AGRICULTURE

Coffee talks extended again

By Kevin Rafferty

COFFEE producing and consuming countries agreed at 3 am yesterday morning to continue their marathon talks for another 48 hours in an attempt to salvage a deal.

Previously Brazil, the world's largest producer, had said that Tuesday midnight was absolutely the last deadline for the talks. But after an all-night session on Tuesday, Brazil relented and agreed to continue. The talks at the International Coffee Organisation in London were originally supposed to finish last Friday.

An eight-member contact group of four producers and four consumers met yesterday afternoon to try to hammer out details of a possible package deal. Whatever, if any, conclusions the group reaches will be put to the full ICO council this afternoon in the hope of finalising the agreement.

Agreement would have to embrace a global quota for coffee exports, distribution of quotas between the various producers, and an agreed price range under which the quotas would come into operation. All these points have been argued over for more than two weeks and none of them has been settled.

"Whatever emerges, it will be a package, with some countries yielding on some points, and others on others," said one of the ICO delegates. "But the fact that the talks are still continuing indicates that there is the will to succeed."

The members of the ICO are discussing a working paper prepared by Mr. Alexandre Beltrao, the executive director of the organisation. He put forward a composite package for consideration after the delegates had failed to agree in their own discussions of the individual points at issue.

● Colombia contributed $80m to the Pancafé coffee company set up by the Bogota Group of coffee exporting nations, figures on overseas investments in the first half of this year issued by the Colombian Planning Department show.

Venezuelan and El Salvador had earlier said they contributed $20m each to the company, which according to unconfirmed reports has faced financial difficulties.

Mexico and Venezuela recently agreed to increase their contribution by an undisclosed amount. Reuter

Surge in world sugar prices

BY JOHN EDWARDS, COMMODITIES EDITOR

WORLD sugar values rose to the highest level since January 1975 on the London terminal market yesterday. The London daily price for raw sugar was lifted by £20 to £380 a tonne, and March futures closed nearly £14 up at £419.125 a tonne, after trading at £423 at one stage.

The renewed upsurge in the market came mainly in the morning when prices rose the permissible limit up of £20 following the higher trend in New York overnight.

Buying interest was stimulated by two main influences. One was reports of further buying by the Soviet Union, encouraged by the fact that large quantities of immediately available sugar were taken up when the October trading position expired in New York.

The second "bullish" influence came from rumours that Brazil, one of the world's biggest exporters, might be forced to import sugar as a result of a shortage of domestic supplies in the south and the canecutters' strike in the north.

In fact it was later announced that the canecutters had agreed to return to work and London traders thought it was unlikely that Brazil would be forced to import supplies.

The real significance of the Brazilian situation is that it appears to negate any chance of Brazil unloading a large quantity of sugar on the world market to take advantage of the high price levels. It was thought this might be achieved by diverting supplies away from the alcohol programme, but this seems unlikely to happen if there is already a domestic shortage of supplies.

Even suppositions of this kind are sufficient at the moment to push the market higher, since most traders are already convinced that prices are going to rise still more as supplies become scarcer in the weeks ahead. London brokers, E. D. and F. Man, in its latest market report, claimed there was little doubt this season will see "absurd" prices at some time. It added that prices above 50 cents a lb. are likely to be seen in the coming few months.

A slightly depressing influence yesterday was news that the EEC had stepped up authorisations of white sugar exports at its weekly selling tender to 78,950 tonnes, against 15,500 tonnes last week. However no raw sugar exports were authorised compared with sales of 40,000 tonnes last week. The minimum tax on white sugar exports was raised from 10.299 to 14.642 European currency units per 100 kilos.

UN common fund ready for signing

BY BRIJ KHINDARIA IN GENEVA

THE FORMAL agreement establishing a $750m "common" fund to finance buffer stock and price stabilisation schemes for main commodities exported by the Third World was opened for signature yesterday at the UN Conference for Trade and Development (UNCTAD) in Geneva.

The accord, which was reached last June 27 after four-year negotiations between developing and industrialised countries, will enter into force as soon as it is ratified by at least 90 countries contributing a minimum of $310m to the fund. It is scheduled to become operational by the end of 1981.

The fund will be used mainly to finance commodity pact schemes, most of them yet to be agreed, to stabilise prices for at least 18 commodities including copper, cocoa, jute, iron ore, bananas, tin and rubber.

Pending full ratification of the agreement, a 28-country committee will prepare draft rules and regulations for the fund's administration and operation. The committee will hold its first meeting in Geneva from October 20-24.

Walkout by U.S. copper workers

By Our Commodities Editor

U.S. COPPER workers at Pennzoil's Duval Corporation walked out last night following the failure to negotiate new terms for their labour contracts that expired on September 30.

The walkout was something of a surprise, coming just after news that the copper workers multi-union group had approved the terms of a tentative agreement with Inspiration Consolidated Copper. This follows the settlement already reached with Kennecott, although all the other main U.S. producers are so far holding out. Copper prices rose on the London Metal Exchange yesterday, with cash wirebars closing £10.5 up at £851 a tonne. However the rise had nothing to do with the Duval walkout news.

Tin was badly hit yesterday by heavy speculative selling. Cash tin was driven down by £115 to £7,025 a tonne and chartists are predicting a move to much lower levels.

Meanwhile Asarco announced it was raising its domestic U.S. lead selling price by 3 cents to 45 cents a lb. This follows a similar increase by other producers.

Changes in aluminium trade patterns seen

THE gradual fall in aluminium exports from Communist countries to the West is expected to continue, and to change East-West trading patterns in the commodity dramatically, Mr. Ralph Kestenbaum, president of Gerald Metals, said yesterday.

He told an international conference in Madrid there was a definite slowdown in the increase of production and higher consumption in Communist countries that had already affected trading.

Differences in pricing policies would be even greater as Eastern European countries increasingly imported from the West.

Anaconda Aluminum and Revere Copper and Brass have both said they will increase the price of unalloyed primary aluminium ingot by 4c a pound to 76c per pound, effective from October 1.

EEC SHEEPMEAT

Something for everybody

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

AFTER several years of often acrimonious argument it does appear that EEC Agriculture Ministers have agreed a framework for the operation of the sheepmeat regime which will satisfy almost all British parties to the dispute—farmers, Treasury and consumers. The French, too, appear to have given ground gracefully while retaining, however, the possibility of maintaining the viability of their market by legal instead of illegal means. New Zealand also gave the proposals a qualified welcome.

It is essential to state here that the full details of the scheme are as yet not worked out by the management committee in Brussels and only broad principles can be discussed.

British farmers will benefit by an immediate rise of about 10 per cent in the standard price for sheepmeat on October 20 from 150.7p a kilo to 164.1. This then begins to rise steadily until the end of March when it peaks seasonally at 199.6. If the market price of lamb or sheepmeat in any week is less than the standard price, the difference is made up by a deficiency payment, or premium. For example, in recent weeks the market price has been about 110p a kilo and the deficiency payment around 40p. Once the regime is in full operation the average price increase to the UK farmer will be 16 per cent.

This up to now has been funded by the Treasury and is costing about £2m a week.

The cost of this will now be borne by FEOGA, the EEC Agricultural fund, and according to Mr. Peter Walker will cost the Community some £100m a year.

Consumers in Britain should benefit too because the market price could well be lower, but supported by a higher subsidy, thus eventually increasing supplies. At the same time it appears that New Zealand, encouraged by a cut in the import tariff to 10 per cent instead of 20 per cent, will have a quota of 234,000 tonnes of lamb—rather greater than their exports of the last few years. All this should mean a very well supplied market, and low prices.

In the past exports have relieved UK market pressures to some extent. These sales were mainly to France and other European countries. The fact that France prevented these UK exports was one of the causes of the lamb "war."

Exports will be allowed now but they will be subject to a clawback equal to the deficiency payment received in this country. This could well mean that in practice few exports would be able to compete in France or other European countries unless prices in those countries were at a very high level indeed.

This clawback, it is believed, will also apply to exports to third countries, which should set at rest the concern of New Zealand and other traditional exporters that those markets will be invaded by subsidised EEC supplies.

It is understood that the other member countries will have the option of choosing either a premium system based on payments per head on breeding ewes or intervention buying. The French, after first having decided on intervention support, are now leaning towards premiums and even deficiency payments because their farmers don't like the intervention levels proposed.

The French have also insisted on measures to prevent New Zealand lamb entering France either directly or by way of the UK. The French will be hoping that the imposition of the clawback will prevent British lamb from entering France by way of the other member countries as has been happening until recently.

The long term objective of the new policy is to create a common market in sheepmeat with a standardisation of target prices throughout the Community. The average intervention price suggested for France of 185p a kilo is close to the average British guaranteed price for the new regime of 182p. The suggested level in Germany, because of currency differences, will be 9 per cent higher. Any weakening of sterling could widen the gap but the prices in all countries are expected to equalise within four years.

It is also well worth remembering that the admission of Greece and Turkey could increase the Community flock by 50 per cent.

Market plans hormone controls

BY LARRY KLINGER IN BRUSSELS

THE EUROPEAN Commission has been instructed to prepare before the end of the year proposals on the control of hormone use to promote the growth of farm animals.

The mandate was given by EEC farm ministers meeting here on Tuesday and raises the possibility for the first time of a Community-wide regulation on hormone use.

The move follows recent Italian court rulings banning sales of some types of veal and veal-products and successful boycotts of the meat in France and Belgium.

Consumer protection organisations have long claimed that hormone residues in food are a danger to human health.

The European Bureau of Consumers' Unions says that in one of the Italian cases signs of abnormal growth in children were attributed with "near-certainty" to hormone-injected veal. The bureau also says that there is a "suspicion" that some hormone-injected meat may be carcinogenic.

The subject is not new to the Commission, which has been studying the issue on a technical level for years. However, it was only instructed to propose concrete measures after political pressure led to the Italians, supported by the French, to introduce the subject as a special item on the Council's agenda.

The ministers were unanimous in calling for proposals to be produced urgently. However, observers of EEC debates on veterinary issues were quick to point out that unanimity can quickly disappear in argument by the various member states over detail.

Most member states have their own regulations governing hormone use and some have argued that any Community-wide compromise on the issue might afford less protection than that which already exists.

Yesterday various national delegations were, not unnaturally, anxious to demonstrate their confidence in their national schemes, notably the French, Dutch and West Germans.

The French are worried that if a consumer boycott continued to be successful it might cause serious unemployment, and the Dutch, who are suppliers of veal to Italy, were understood to have offered to back up their assurances with a high-level official travelling with each export consignment.

Portugal lifts animal ban

THE PORTUGUESE Government yesterday lifted a ban on farm animals going to market, imposed five months ago to help prevent the spread of a foot and mouth epidemic.

Ministry of Agriculture officials said the disease had not yet been totally eradicated and the movement of animals would remain subject to veterinary controls.

Reuter

Farmers 'delighted'

BRITISH PRODUCERS were "delighted that a regime has been implemented at long last." Mr. Alan Jackson, deputy president of the National Farmers' Union, said yesterday.

While there were still details to be worked out it was clear that it would provide "full and fair levels of support for our lamb producers," he stated.

Mr. Peter Walker, the Agriculture Minister, stressed that the producers' benefit had not been bought at the consumers' expense. "Producer returns will be substantially improved but in a way which will not increase the price to the housewife," he stated in London on his return from the Council meeting.

"We have achieved a sheepmeat regime that is good for the British housewife, good for the British farmer and good for our friends in New Zealand," he claimed.

Mr. Brian Talboys, New Zealand's deputy Prime Minister, said he was pleased with the EEC decision

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained ground on the London Metal Exchange following the rally in gold and fears of an escalation of the Iraq-Iran conflict. After opening at £873 forward metal moved up to £883 in the morning rings before easing on profit-taking to £881 on the morning kerb. In the afternoon fresh profit-taking was reported and three months fell away to close the late kerb at £873.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	853-4	+14½	850.5-1.5	+10.5
3 months	880-2	+13½	878.5-9	+9
Settlem't	854	+14.5	—	
Cathodes				
Cash	826-7	+11.5	823-4	+7
3 months	853-4	+11	851-.5	+8.25
Settlem't	827	+11	—	......
U.S. Prod.	—	......	*98.7-104	......

TIN—Sharply lower in active trading with initial heavy bull liquidation prompting stop-loss selling, and depressing forward metal from £7,230 to £7,060 on the morning kerb. The contango widened to £100. In the afternoon the market staged a strong rally as American physical interest lifted three months to £7,130 on the late kerb.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6990-7000	—130	7020-30	—115
3 months	7090-100	—100	7125-30	—85
Settlem't	7000	—130	—	......
Standard				
Cash	6990-7000	—130	7020-30	—115
3 months	7090-100	—100	7125-30	—85
Settlem't	7000	—130	—	......
Straits. E.	‡82160	+4	—	......
New York	—	......		

LEAD — Slightly firmer. Forward metal opened at £397 and moved up to £400 on the pre-market, reflecting fresh buying, speculative buying and the initial strength of copper. However, the £400 level met resistance and three months dipped to £394 prior to closing the late kerb at £395.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	381-2	+8.25	379.5	+25
3 months	396.5-7.5	+8	395-.5	+2¾
S'ment	382	+9.5	—	......
U.S. Spot	—	......	*42-44	......

ZINC—Moved narrowly in routine trading with forward metal finally quoted around £347 on the late kerb.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	335-6	+2	335.5-6.5	+2
3 months	346-7	+1.5	347-.5	+1.75
S'ment	336	+2	—	——
Primw'ts	—	......	*37.5-37.75	—

ALUMINIUM—Marginally firmer in quiet trading. Forward metal moved up from £684 to £689 in thin trading but fell back to close the late kerb at £685.

Alumin'm	a.m. Official	+ or — †	p.m. Unoffic'l	+ or — †
	£	£	£	£
Spot	666-8	+6.25	664-5	+2
3 months	687-8	+6	685-6	+2.25

NICKEL—Steady in extremely quiet trading with forward metal closing the afternoon kerb at £2,830.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2800-10	—7.5	2805-10	—7.5
3 months	2832-7	—8	2835-8	—8

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 50.85p an ounce higher for spot delivery in the London bullion market yesterday at 908.8p. U.S. equivalents of the fixing levels were: Spot $21.752, up $1.071, three-month $22.465, up $1.236; six-month $23.222, up $1.282, and 12-month $24.63, up $1.263. The metal opened at 901-922p ($21.5-22.0), and closed at 895-916p ($21.40-21.90).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	902.00p	+48.8	899.5p	+28.5
3 months	943.30p	+50.8	934.0p	+25.5
6 months	975.30p	+52.7	—	......
12 months	1035.30p	+52.7	—	......

RUBBER

The London physical market opened easier, staying fair throughout the day, closing slightly steadier. Lewis and Peat reported a fob October price for No. 1 RSS in Kuala Lumpur of 302.25 (303) cents a kilo and SMR 20 at 281 (282).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Nov	64.70-65.00	64.50-64.70	64.80-63.50
Dec	65.80-66.50	65.50-65.90	64.50
Jan-Mar	68.40-68.50	68.20-68.30	68.50-67.50
Apr-Jne	71.60-71.70	71.50-71.60	71.90-70.60
Jly-Sept	74.70-74.90	74.60-74.70	74.90-73.90
Oct-Dec	77.50-77.80	77.40-77.50	—
Jan-Mar	80.30-80.50	80.30-80.40	79.90-79.50
Apl-Jne	83.10-83.80	82.90-83.20	83.80-82.20
Jly-Sept	85.80-86.00	85.40-85.80	—

Sales: 281 (451) at 15 tonnes, 10 (13) at 5 tonnes.

Physical closing prices (buyer) were: Spot 63.00p (same); Nov. 64.75p (64.50p); Dec. 65.75p (65.50p).

SOYABEAN MEAL

The London market opened steady on commission house buying, reports T. G. Roddick. Prices acted well and made advances of up to £1.50 before trading selling pressured the market and values failed to hold, finishing unchanged on the day.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
October	122.90-23.0	+0.80	125.00-123.00
December	123.40-23.5	—	130.00-123.50
February	132.50-32.6	+0.20	133.00-132.40
April	135.40-35.6	+0.40	134.80-133.70
June	132.50-32.0	+0.10	—
August	132.70-33.0	+0.65	133.50
October	136.50-37.5	+0.70	—

Sales: 134 (146) lots of 100 tonnes.

COTTON

LIVERPOOL—No spot or shipment sales were recorded yesterday, leaving the total for the week so far at 364 tonnes. Business was lethargic and traders avoided forward commitments. Users were content with existing supplies.

COCOA

Cocoa futures remained steady throughout a featureless day and traded in very thin volume, for prices to close unchanged from Tuesday night's levels. Physical business was quiet with producers still withdrawn from the market, while consumers preferred to wait for the recent decline to continue, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Dec	970-71	+1	977-68
March	1010-11	—1.5	973-955
May	1031-32	—1.5	1017-09
July	1050-51	—5	1038-30
Sept	1068-70	—5.5	1056-51
Dec	1090-92	—6.5	1078-68
Nov	1105-20	......	—

Sales: 1,002 (5,974) lots of 10 tonnes.

COFFEE

A nervous but steadier than anticipated market reflected conflicting views over the possibility of any agreement from the extended ICO meeting, reports Drexel Burnham Lambert. Volume remained light in mixed dealings during a steady but quiet afternoon, until late dealer-selling eroded earlier gains to finally close below Tuesday night's values.

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1042-44	—14.5	1065-25
January	1068-70	—8.5	1085-68
March	1080-81	—8	1097-70
May	1087-89	—7.5	1090-10.75
July	1091-95	—11.5	1100-1080
Sept	1098-05	—16	1110-08
March	1100-15	—	—

Sales: 2,449 (3,241) lots of 5 tonnes.

GRAINS

LONDON GRAIN FUTURES — Old crops opened 5p higher and trade was slightly more active yesterday. The main wheat trade being in November and January, which registered losses of 25p on the day. The distant option held slightly steadier to close 10-15p down. Barley saw good buying interest in May values and were generally depressed on hedge-selling, and registered losses of 15-30p on the day. New crops saw little interest but gained 50-60p on opening levels, reports Acli.

The market was encouraged after deliveries against October and prices were quickly bid some £7 above kerb levels, despite substantial long liquidation. Further gains of up to £7 were recorded later before prices eased somewhat at the close, reported C. Czarnikow.

M'nth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Nov	98.85	—0.25	93.30	—0.30
Jan	103.05	—0.25	97.65	—0.20
Mar	106.75	—0.25	101.25	—0.25
May	110.50	—0.15	105.00	—0.15
Sept	114.20	—0.10	—	—
Sept	98.85	......	94.50	—

Business done—Wheat: Nov. 99.05-98.85, Jan. 103.35-103.05, March 107.05-107.00, May 110.50-110.50, July no trade, Sept. 99.00-98.50. Sales: 119 lots of 100 tonnes.

Barley—Nov. 93.65-93.30, Jan. 97.90-97.65, March 101.30-101.25, May 105.20-104.95, Sept. 94.50-94.00. Sales: 139 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent: Oct. 97.25, Nov. 99.00, Dec. 103.25, transhipment East Coast. U.S. Hard Winter, 13½ per cent: Oct. 99.50, Nov. 101.00, Dec. 102.50, Jan. 105.00, Feb. 107.50, transhipment East Coast. Maize: U.S./French: Sept. 122.00, Oct. 120.50, transhipment East Coast. S. African Yellow: Oct.-Nov. 85.00. Barley: English Feed fob: Nov. 98.00, paid East Coast, Dec. 99.50, Jan. 102.50, sellers East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 88.80, E. Midlands 89.80, N. East 89.80, Scotland 88.00. Feed wheat: Eastern 95.70, E. Midlands 97.10, N. East 96.00. Other milling wheat: E. Midlands 98.00, N. East 98.00.

SUGAR

LONDON DAILY PRICE (raw sugar): £380.00 (£360.00) a tonne cif for Sept.-Oct.-Nov. shipments. White sugar daily price was £378.00 (£365.00).

No. 4 Contract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Jan	404.85-05.50	392.00-93.50	408.00-91.00
Mch	419.80-14.25	405.25-05.50	423.00-04.00
May	415.50-16.00	405.00-05.25	423.00-02.75
Aug	408.85-09.20	389.00-89.50	404.00-390.0
Oct	381.50-81.55	369.50-70.50	385.00-79.00
Jan	381.50-58.00	340.05-41.00	364.00-52.00
March	32[illegible].00-48.00	—	—

Sales: 13,997 (13,575) lots of 50 tonnes.

No. 2 Contract—Close (in order buyer, seller, business, sales): Oct. 390.00, 393.00, 394.00-380.00, 394. Sales 94 (82).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £480 (£460.50) for export.

International Sugar Agreement (U.S. cents per pound (fob and stowed Caribbean port). Prices for Sept. 30. Daily price 36.15 (35.98); 15-day average 35.92 (35.82).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. 350, 358, nil, nil; Dec. 363, 368, 365, 2; Jan. 365, 370, 367, 1; March 368, 372, 360, 34; May 371, 375, nil, nil; Aug. 377, 381, nil, nil; Oct. 378, 384, nil, nil; Dec. 381, 386, nil, nil; Jan. 382, 387, nil, nil; March 383, 388, 384, 2.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Oct. 459.0, 465.0, 460.5-455.0, 78; Dec. 471.0, 476.1-469.0, 208; March 489.0, 496.0-489.0, 341; May 499.0, 500.0, 502.0-490.0, 74; July 505.0, 506.0, 506.0-504.0, 72; Oct. 506.5, 507.0, 507.0-504.5, 83; Dec. 507.0, 507.5, 507.0-505.0, 10; March 510.0, 512.0, 510.5-507.5, 10. Sales: 873.

POTATOES

LONDON POTATO FUTURES—The market opened steady, with short-covering keeping prices high for most of the morning session, until profit-takers moved values back to unchanged on November. Further selling in the afternoon was met by renewed buying at the close to bring prices off the lows, reports Coley and Harper. Closing prices: Nov. 44.60, +10 (high 45.10, low 44.50); Feb. 53.10, +30 (high 54.60, low 52.80); April 60.40, +10 (high 60.90, low 59.70). Total traded: 57 (33) lots of 40 tonnes.

*

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.00, codlings £2.80-£4.00. Haddock (large) £4.40-£5.50, medium £4.00-£4.60, small £1.50-£2.60. Plaice (large) £5.20-£5.60, medium £4.50-£5.40, best small £2.20-£3.70. Skinned dogfish (large) £6.00, medium £3.50. Lemon soles (large) £9.00, medium £7.00. Saithe £3.00.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on October 1. GB—Cattle 71.05p per kg lw (+1.48). UK—Sheep 112.58p per kg est dcw (+4.10). GB—Pigs 66.59p per kg lw (+0.79).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 60.6 to 64.0: Eire hindquarters 68.0 to 72.0, forequarters 43.0 to 44.0. Veal: Dutch hinds and ends 98.0 to 102.0. Lamb: English small 50.0 to 55.0, medium 47.8 to 51.5, heavy 41.5 to 48.5. Imported frozen: NZ 54.0 to 56.0, PM 49.0 to 50.0, YLs 53.0 to 54.0. Pork: English, under 100 lb 42.0 to 49.0, 100-120 lb 38.0 to 48.0, 120-160 lb 36.0 to 44.5. Grouse: Young, best (each) 220.0 to 260.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—Outspan: Valencia Lates 48 5.40, 56 5.75, 72 5.85, 88 4.50, 112 4.50, 138 4.35, 150 4.20; Brazilian: 72/138 3.70-4.40; Californian: 56/112 4.00-5.00. Lemons—Italian: 100/150 5.00; Spania: Tras 25/45 2.00-2.60, Boxes 5.50-7.00; Outspan: Trays 45 4.30; Turkish: 4.80-5.20; Chilean: 7.00-7.50; Cyprus: 90/105 6.20-6.60. Grapefruit—Dominican: 35/63 5.50-6.50; Honduras: 35/48 6.00-6.50; Cuban: 4.80-5.00. Apples—French: Golden Delicious approx. 20 lb. 72 1.60-2.00, 84 1.50-1.60; 40 lb 125/163 3.20-3.50, Granny Smith 20 lb 72 2.20-2.50, 84 1.70-1.80; Spanish: Granny Smith 40 lb 3.80-4.30; Dutch: Cox's Orange Pippins, jumble pack, per pound 0.13. Pears—French: Per 28 lb Williams 2.50-3.20; Italian: Per pound Williams 0.12-0.16; Dutch: Beurre Hardy per pound 0.09. Peaches—Italian: 1½-trays Hales 2.80-3.50, Others 2.80-3.40. Nectarines—Italian: 4.50-6.00. Plums—Italian: Boxes, Stanleys per pound 0.10. Grapes—Italian: Regina per pack 1.40-2.00, Wine per pound 0.12, Italia 2.50-3.00; Spanish: Almena 2.00-2.20; French: Alphonse 2.40. Melons—Spanish: Yellow 10 kg 2.20-3.00, Green 7/11s 2.60-2.80. Bananas—Jamaican: 28 lb, per pound 0.19. Tomatoes—Jersey: 2.20-2.60; Dutch: 2.70; Guernsey: 2.60-3.00; Spanish: 2.30-2.60. Onions—Spanish: 2.20-2.80; Dutch: 2.30, Picklers 3.00. Cabbages—Dutch: White 2.80. Pomegranates—Spanish: 40/80 2.50-3.70. English Produce: Potatoes—Per bag, new 1.20-1.80. Mushrooms—Per pound 0.30-0.60. Apples—Per pound Howgate 0.06, Derby 0.05-0.06, Tydeman's Early Worcester 0.05-0.06, Bramleys 0.07-0.10, Worcester Pearmain 0.05-0.09, Cox's Orange Pippins 0.10-0.16. Pears—Per pound Conference 0.08-0.09. Plums—Per 12 lb Damsons 1.80-2.00, Marjorie Seedlings 1.40-1.80. Strawberries—Per ½ lb 0.30. Cabbages—Per bag 1.20, White cabbages 2.40. Cauliflowers—Per 12 1.30-1.60. Beetroots—Per bag 1.00. Cucumbers—Trays 10/20 2.00-2.60. Tomatoes—Per 12 lb 2.40-2.60. Lettuce—Per 12 round 0.60-1.20, Cos 1.20, Webbs 1.20. Sprouts—Per pound 0.07. Corn Cobs—Each 0.06-0.08. Carrots—Per 28 lb 0.70-1.00. Onions—Per bag 2.00-2.30, Picklers 2.50. Celery—Per pack 20/30 2.00, naked 12/16 1.00. Capsicums—Per pound 0.30. Runner Beans—Per pound 0.08-0.12. Swedes—Per 28 lb Devon 0.80. Courgettes—Per pound 0.10-0.12. Cob Nuts—Per pound 0.35.

PRICE CHANGES

In tonnes unless otherwise stated.

	Oct. 1 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1600/1630	......	$1770/30
Copper			
Cas w'bar	£851	+10.5	£832
3 mths	£878.75	+9	£850.75
Cash Cathode	£823.5	+7	£802
3 mths	£851.25	+8.25	£824
Gold troy oz	$680.5	+10	$657.5
Lead Cash	£380	+3.5	£349
3 mths	£396.25	+2.375	£364
Nickel	£3,168	—37	£3,206.8
Freemkt (cif lb)	290/315c	......	290/315c
Platin'm'ry oz	£202	......	£202
Free mkt	£290.00	+3.55	£272.25
Quicksilver†	$412/418	......	$405/415
Silver troy oz	908.00p	+48.85	670.35p
3 mths	943.30p	+50.85	697.90p
Tin Cash	£7,025	—115	£7,105
3 mths	£7,127.5	—85	£7,127.5
Tungsten 22.04lb	$145.76	......	$144.87
Wolfrm 22.04lb	$151/154	......	$151/154
Zinc cash	£336	+2	£318.25
3 months	£347.25	+1.75	£328.25
Producers	$780	......	$780
Oils			
Coconut (Phil)	$570x	—5	$620
Groundnut	‡	......	‡
Linseed Crude	£393t	......	£397
Palm Malayan	$505z	......	$550
Seeds			
Copra Philip	$365t	—	$415x
Soyabean (U.S.)	$330v	+1	$340.75
Grains			
Barley Futures	£97.65x	—0.20	£94.20
Maize			
French No3AM	£120.50x	......	122.50
Wheat			
No.1 Red Spg.	‡	......	‡
No2HardWint	£99.50x	+1	£99.75
Eng. Milling	‡	......	‡
Other commodities			
Cocoa ship't	£1,050	+3	£1,031
Future Mar.	£1,010.5	—1.5	£970.5
Coffee Ft Jan.	£1,069	—8.5	£1,087.5
Cotton A.Index	98.80c	+1.10	102.30c
Rubber (kilo)	63.00p	......	65p
Sugar (Raw)	£380	+20	£305
Woolt'ps 64s kl.	295p kilo	......	287p kilo

‡ Unquoted. t Oct. u Sept.-Oct. v Nov. w Oct.-Nov. z Indicator. § Buyer. † Per 76-lb flask. * Nominal. r Nov.-Dec. Dec.

Colombia beef export to USSR

BOGOTA—Colombia has signed contracts to export beef to the Soviet Union, Venezuela, the Antilles and Peru, Agriculture Minister Gustavo Dager said. Colombia had a surplus of 180,000 head of beef this year, and had to sell beef to the Soviet Union at prices below the international price, Sr. Dager said.

The first 2,200 tonnes under the contract are to be exported to the Soviet Union in October. Colombia will resume exports to Venezuela sometime this year.

Exports to Venezuela were suspended in 1978 because Venezuela had enough beef of its own. Sr. Dager did not disclose how much beef would be exported to Venezuela, but the Colombian agriculture ministry said it would be about 10,000 tonnes for the rest of 1980.

AMERICAN MARKETS

NEW YORK, October 1.

CATTLE MARKETS were fractionally higher, while the pork complex sold off in anticipation of higher marketings next week. Precious metals rallied for good gains on further war news from the Middle East. Copper was higher as additional walkouts in the strike negotiations became known. Strong sugar fundamentals put the market limit-up. Profit-taking in cotton following the recent run-up, pushed the market lower. Uncertainty about an agreement with consumer groups on activating quota cutbacks depressed coffee moderately. Cocoa advanced slightly on light trade interest as West African production appears lower for this year. Maize closed mixed, while wheat and soyabeans were marginally higher on a late rally in a featureless market, reported Heinold.

Coffee—"C" Contract: Dec. 126.50 (126.65), March 131.53 (132.04), May 134.30, July 136.15, Sept. 137.00, Dec. 137.00. Sales: 1,830.

Copper—Oct. 91.90 (91.45), Nov. 92.85 (92.45), Dec. 93.90, Jan. 94.70, March 96.30, May 97.90, July 99.50, Sept. 101.10, Dec. 103.65, Jan. 104.45, March 106.25, May 108.05, July 109.85.

Potatoes (round whites)—Nov. 94.8 (93.0), March 136.7 (132.6), April 157.6. Sales: 3,669.

Lard—Chicago loose 22.00 (same). New York prime steam unavailable.

CHICAGO, October 1.

Chicago Imm Gold—Oct. 680.7 (670.0), Dec. 697.2 (687.2), Jan. 706.2, March 723.7, April 732.8, June 751.0, July 760.2, Sept. 778.5.

Live Hogs—Oct. 47.77 (47.77), Dec. 50.30 (50.75), Feb. 53.47, April 52.30, June 55.70, July 56.87, Aug. 55.50, Oct. 55.00, Dec. 56.50.

‡Maize—Dec. 348-348¼ (348½), March 359¾-360¼ (360¾), May 365½-365, July 365½-366, Sept. 357½, Dec. 348.

‡Soyabeans—Nov. 810½-812½ (811), Jan. 835-834½ (834½), March 858½-859½, May 873-874, July 878-879½, Aug. 873, Sept. 829, Nov. 798-799.

Live Cattle—Oct. 67.57 (67.32), Dec. 69.10 (68.92), Jan. 70.22, Feb. 71.10, April 73.07, June 73.95, Aug. 73.45, Oct. —, Dec. 73.70.

*Gold—Oct. 680.5 (671.5), Nov. 687.5 (679.5), Dec. 696.5, Feb. 713.6, April 731.8, June 750.2, Aug. 769.1, Oct. 788.2, Dec. 807.7, Feb. 827.2, April 846.9, June 866.8, Aug. 886.7.

Sugar—No. 11: Jan. 41.38 (39.15), March 42.68 (41.16), May 42.23, July 41.26, Sept. 39.90, Oct. 39.11, Jan. 36.40, March 35.70. Sales: 8,710.

¶Soyabean Meal—Oct. 233.5-233.0 (234.2), Dec. 241.3-241.7 (241.6), Jan. 244.5-244.2, March 249.5, May 250.5, July 251.5-252.0, Aug. 249.0, Sept. 240.0, Oct. 225.0, Dec. 223.0-228.0.

¶Silver—Oct. 2175.0 (2077.5), Nov. —— (——), Dec. 2212.5, Feb. 2272.5, April 2332.5, June 2392.5, Aug. 2452.5, Oct. 2512.5, Dec. 2572.5, Feb. 2632.5, April 2692.5, June 2752.5, Aug. 2812.5, Oct. 2872.5, Nov. ——, April ——.

Soyabean Oil—Oct. 25.32-25.36 (25.11), Dec. 26.02-26.08 (25.75), Jan. 26.30-26.40, March 27.05, May 27.40, July 27.90, Aug. 27.80, Sept. 27.65, Oct. 27.50-27.55, Dec. —.

‡Wheat—Dec. 504½-505 (503½), March 523½-524½ (523¾), May 531½-532¼, July 527½-528, Sept. 536-538½, Dec. —.

WINNIPEG, October 1.

§Barley—Oct. 138.30 (137.40), Dec. 140.20 (139.90), March 140.90, May 141.90.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 254.34 (same).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

EUROPEAN MARKETS

PARIS, October 1.

Cocoa (FFr per 100 kilos)—Dec. 950-955, March 985-990, May 1010-1020, July 1020-1040, Sept. 1070-1085, Dec. 1085-1105. Sales at call: Nil.

Sugar (FFr per 100 kilos)—Nov. 3900, Dec. 3860-3869, March 4061-4065, May 4050-4070, July 3950-4030, Aug. 4000-4050, Oct. 3851-3870, Nov. unquoted. Sales at call: 47.

ROTTERDAM, October 1.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent: Oct. 216, Nov. 218.50, Dec. 219, Jan. 229, Feb. 233, March 235. U.S. No. 2 Red Winter: Oct. 206, Nov. 210. U.S. No. 2 Northern Spring, 14 per cent: Oct. 210.50, Nov. 215, Dec. 222, Jan. 236, Feb. 243, March 247, April-May 228.

Maize—U.S. No. 3 Corn Yellow afloat 158, Sept. 158, Oct. 158, Nov. 161, Dec. 165.50, Jan.-March 172.50, April-June 175, July-Sept. 174, Oct.-Dec. 169.

Soyabeans—U.S. Two Yellow Gulfports: Oct. 319.50, Nov. 323.75, Dec. 332.75, Jan. 339.25, Feb. 346.25, March 348.50, April 354.75, May 348.50, June 355.75, July 357, Oct. 322.50, Nov. 321.75, Dec. 325.75, sellers. Jan. 339, Feb. 345.75, traded. Argentine Sept. 316, sellers.

Soyameal—44 per cent protein U.S.: afloat 286, Sept. 286, Oct. 288, Nov. 292, Dec. 299, Jan.-March 300. Brazil Pellets: Oct. 296, Nov. 305, Nov.-March 312, sellers.

INDICES

FINANCIAL TIMES

Sept. 30	Sept. 29	M'nth ago	Year ago
276.44	268.68	275.38	306.18

(Base: July 1, 1952=100)

MOODY'S

Sept. 30	Sept. 29	M'nth ago	Year ago
1293.9	1289.3	1243.8	1187.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Sept. 30	Sept. 29	Month ago	Year ago
Spot	463.27	457.44	447.87	419.7
F'tur's	486.28	480.80	467.07	429.54

(Average 1924-25-26=100)

REUTERS

Oct. 1	Sept. 30	M'nth ago	Year ago
1748.8	1735.1	1734.4	1675.2

(Base September 18, 1931=100)

British Funds lead markets higher and close £1 up
Equities settle well below best—Golds strong again

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept. 15	Sept. 25	Sept. 26	Oct. 6
Sept. 29	Oct. 9	Oct. 10	Oct. 20
Oct. 13	Oct. 23	Oct. 24	Nov. 3

* "New time" dealings may take place from 9 am two business days earlier.

Continuing hopes of an early reduction in domestic interest rates took the previous day's rally in Government Securities and leading industrials a stage further yesterday. Recent uncertainty about the Middle East conflict was again pushed into the background and, with institutional support for selected equities evident, the tone was initially impressive.

British Funds again set the trend with quotations at the longer end of the market establishing fresh improvements of a point and more. Trading conditions were still rather thin and sensitive, but most prices were near the day's best at the official close with the long tap, Exchequer 12 per cent 1998 A, very close to its expected operational level, despite having faltered in the afternoon on a U.S. Prime rate increase to 13½ per cent. In the after-hours' trade, however, the overall trend was slightly easier.

Leading Electricals were well to the fore in the equity upturn, with good investment buying being encountered in the early trade. The particular firmness here coupled with the overnight recovery on Wall Street, enthused other equity leaders, but interest faded from midday onwards and the FT 30-share index, after registering a gain of 6 points at noon, reacted to close 2.2 up on balance at 483.2.

Of the sectors, Oils were again briskly traded with the emphasis still on exploration issues, while Insurances too, encountered a fair measure of interest.

Elsewhere, South African Gold shares staged a good revival following the advance in the bullion price. Buying here found the market short of stock and some fairly substantial gains were established, which left the Gold mines index showing a sharp rise of 27.4 at 524.3.

Southern Rhodesia bonds non-assented to the Government of Zimbabwe formal offers came under slight selling pressure and falls ranging to 6 points were sustained. The 2½ per cent 1965/70, at £98, and 6 per cent 1978/81, at £143, both fell that amount, while the Zimbabwe Settlement Annuity was lowered 10 points to £295.

Demand for Traded options picked up sharply with the number of contracts completed amounting to 1,874, well above the previous day's total of 1,109.

Increased speculation about a possible bid from Lloyds Bank and the sale of its Williams and Glyn's subsidiary to Citibank of the U.S., helped **Royal Bank of Scotland** rise 6 further to a 1980 high of 105p. Reflecting the firmer conditions in gilts together with hopes of cheaper money in the not-too-distant future, Discount Houses made good progress. **Allen Harvey and Ross**, 390p, and **Union**, 510p, rose 15 apiece. The major clearing banks moved higher despite reports that loan demand is fast decelerating. **NatWest** gained 6 to 406p and **Barclays** firmed 4 to 430p.

A keen demand developed for Insurances which brought rises ranging to 12 at the close. **Sun Alliance** put on that much to 798p, while **Eagle Star**, 249p, **Phoenix**, 306p, and **Royals**, 478p, all appreciated 6. Among Life issues, **Hambro Life** put on 10 to 300p.

Leading Breweries, gently firmer in the early business, reacted quickly to the significant fall in August beer production and by the close falls ranged to 6. **Whitbread** fell that much to 156p, having been 163p earlier, while **Bass** dipped 5 to 216p, after 225p. **Scottish and Newcastle**, 61½p, and **Arthur Guinness**, 79p, gave up around 3 apiece.

The Monopolies Commission decision to allow **Blue Circle** to re-launch a bid for **Armitage Shanks** stimulated the latter which closed 5 up at 113p to match the terms of the original share exchange offer. Elsewhere in Buildings, **Crouch Group** rose 14 to 136p on the sale of two New York properties, while **Burnett and Hallamshire** advanced 17 to 792p and the new nil-paid shares 20 to 140p premium. **Redland** came in for support and firmed 5 to 173p, while **Costain** improved 4 to 170p, but **Ibstock Johnsen** shed 4 to 63p on nervous selling ahead of tomorrow's interim results.

ICI opened a couple of pence higher at 350p, but drifted off to close a net 2 cheaper at 346p. **Anchor** featured other Chemicals with a drop of 11 to 73p following the sharply lower interim profits and chairman's cautious statement, but **James Halstead** added 1½ to 35p on satisfactory preliminary results.

Investment incentive was again lacking in Stores and most leaders finished with modest falls. **House of Fraser**, firm recently on hopes of a bid from Lonrho, eased 2 to 134p, but **Marks and Spencer** continued firmly and closed 2 up at 105p. **Currys** again attracted good support following Monday's mid-term statement and rose 8 to 236p. **B. Paradise** were active and moved between 46p and 39p before settling for a net gain of 4 at 45p following the company's confident outlook at the interim stage. **H. Goldman**, strong of late on Mr. Ian Wasserman's acquisition of an 11 per cent holding in the company, added 3 to 29p encouraged by news that Mr. Harvey Michael Ross now controls 6 per cent of the company's equity capital. The more-than-halved interim earnings prompted early dullness in **Hiltons Footwear**, which touched 73p before recovering to close unchanged at 76p.

A renewed burst of investment and speculative buying helped leading Electricals take the previous day's rise a stage further. The best levels were not held, however, as profit-taking developed towards the close. **GEC** were particularly affected and closed unchanged at 522p, after reaching 533p earlier. **Thorn EMI** ended 8 better at 348p, while **Racal** added 6 at 313p and **Plessey** gained 4 to 232p, after 234p. **BICC** touched 156p on news of the £20m Saudi Arabian contract before finishing a net 3 harder at 154p. Elsewhere, old favourites **Ferranti** and **Electrocomponents** returned to prominence, the former closing 27 higher at 457p and the latter 30 better at 720p. Buying ahead of next Tuesday's interim results left **Farnell** 13 up at 340p, while **Telephone Rentals** put on 10 to 277p and **Unitech** 8 to 328p. **Electronic Machine** put on 4 to 44p, after 45p, the latter in response to increased annual earnings and accompanying statement on prospects. By way of contrast, **A. F. Bulgin** dipped 2 to 35p on the proposed £1m rights issue.

Secondary Engineerings recorded their best day for quite some time, recovering some of the ground lost since GKN's abysmal interim statement last month. **B. Elliott**, 212p, and **Westland**, 137p, regained 7 apiece, while **Babcock** rose 6 to 99p and **Davy Corporation** added 5 to 112p. **M.L. Holdings** gained 10 to 355p and **Ratcliffe Industries** put on 6 to 83p. Against the trend, **Swan Hunter** softened a penny to 4½p on the announcement of a third liquidation distribution payment of 3.5p per share. With the exception of **Tubes**, which lost 2 of the previous day's jump of 18 at 238p, the leaders gained ground.

In Foods, **Robertson** put on 5½ to 94½p on renewed investment buying, while **Sidney C. Banks** added 3 to 90p in belated response to the preliminary results.

Hotels and Caterers were featured by **Ladbroke**, which rose 6 to 217p on fairly sizeable investment demand.

Reed International became an isolated dull feature among the miscellaneous industrial leaders, falling 6 to 187p on news of the cutbacks in Fleet Street following the proposed merger of the Evening News and Evening Standard. **Rank Organisation**, on the other hand, added that much to 166p and **Reckitt and Colman** improved 4 to 178p. Elsewhere, **Pritchard Services** advanced 5 to 98p on revived hopes of a bid from Provincial. **Feedex** added 3 to 38p on an investment recommendation and **Francis Sumner** improved 2 to 9p despite the interim dividend reduction and lower first-half profits. **Jardine Matheson** closed 5 harder at 210p on further consideration of the interim results and proposed right issue, the price and change in yesterday's issue was incorrect. **Thomson T-Line** fell 10 to 45p on the interim dividend omission and increased first-half deficit.

The Department of Industry's consent to the merger of the London evening newspapers prompted a good business in **Associated** which jumped 24 to 309p; sister company **Daily Mail A** rose a similar amount to 518p, while **Trafalgar House**, which controls the Evening Standard, firmed 5 at 71p.

Marked higher at the outset on revived hopes of lower interest rates, Properties lost momentum around midday and closed only modestly higher. **Land Securities** finished 3 dearer at 378p, after 380p, and **MEPC** just a penny firmer at 235p, after 237p.

Trading in Oils was again lively, although occasional profit-taking was evident. **Lasmo** featured North Sea issues, jumping 23 to 768p, after 772p, on revived talk of a bid from German concern Deminex. **Tricentrol**, however, eased 4 to 372p and **Ultramar** 3 to 432p. **KCA International** continued firmly, up another 7 at 169p, while **Berkeley Exploration** put on 18 to 240p and **Aran** advanced 15 to 355p. Onshore explorers **Carless Capel**, 182p, and **Candecca**, 240p, added 5 and 7 respectively, while **Attock** firmed 8 to 272p, the last-named still reflecting new licence awards.

Renewed support was noted for split-capital Investment Trusts, **Triplevest Capital** improving 10 to 336p. **New Throgmorton Capital**, 182p, and **Dualvest Capital**, 376p, rose 9 apiece, while **Derby Capital** closed 7 better at 277p.

Golds advance

Mining markets raced ahead in more animated trading as the bullion price staged a good recovery to close $10 better at $680.50 an ounce. South African Golds were the star performers as overnight American buying was followed by widespread demand in London. Modest profit-taking left prices a fraction below the day's best levels at the close but gains were still sufficient to lift the Gold Mines index 27.4 to 524.3.

Among the heavyweights, **Amgold** jumped £4½ to £56, **Vaal Reefs**, £3¾ to £42¾, **Western Holding** £3¼ to £49, **Western Deep** £2¼ to £32½ and **West Driefontein** £2¾ to £49½. Medium- and lower-priced issues were featured by **Elandsrand**, 34 up at 620p and **Leslie**, 19 ahead at 196p.

The buying of Golds spilled over into Financials. **Minorco** were again the subject of persistent American interest and leaped 110 to 670p in front of publication of the annual report. **Anglo American Corporation** surged 30 to 850p and **De Beers** 14 to 500p.

London Financials made good progress, buoyed by the rise in gold and the firmness of base metals. **Gold Fields** were outstanding and put on 17 to 662p, after a 1980 high of 665p, following the annual report, while **Rio Tinto-Zinc** rose 6 to 458p and **Charter Consolidated** 11 to 278p; the strength of the last-named reflected the company's substantial holding in Minorco.

Platinums were firmer with **Rustenburg** 17 better at 342p and **Impala** 5 up at 525p.

Good gains in overnight domestic markets coupled with the rally in gold encouraged a fair demand for Australians, notably Golds. Among the latter, **GMK** advanced 25 to 545p. **Poseidon** added 11 at 338p and **North Kalgurli** 6 at 115p. **Kitchener Mining** gained 30 to 330p.

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979, based on Tuesday, September 30.

Gold Mines FT	+85.00	Oils	+22.14
Insurance (Life)	+64.57	500-Share Index	+21.29
Mining Finance	+63.99	Industrial Group	+20.99
Merchant Banks	+59.42	Pharmaceutical Products	+20.17
Electricals	+57.13	Other Groups	+17.19
Insurance (Composite)	+44.46	Mechanical Engineering	+17.06
Property	+43.34	Engineering Contractors	+16.96
Electronics, Radio and TV	+41.77	Consumer Goods (Non-Durable) Group	+16.79
Investment Trusts	+39.83	Newspapers and Publishing	+15.00
Overseas Traders	+37.37	Food Manufacturing	+14.58
Financial Group	+35.78	Banks	+13.37
Hire Purchase	+34.10	Breweries	+11.65
Discount Houses	+32.43	Tobaccos	+10.76
Food Retailing	+31.88	Packaging and Paper	+10.10
Capital Goods Group	+31.00	Chemicals	+ 8.72
Shipping	+30.90	Wines and Spirits	+ 8.45
Contracting and Construction	+26.70	Metal and Metal Forming	+ 7.55
All-Share Index	+26.32	Office Equipment	− 4.64
Insurance Brokers	+25.06	Textiles	− 5.22
Building Materials	+24.99	Motors and Distributors	− 6.85
Consumer Goods (Durable) Group	+23.79	Household Goods	−25.10
Entertainment and Catering	+23.70	Toys and Games	−43.01
Stores	+23.02		

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
BTR 'New'	Nil/pd.	10	50pm	+ 6	50pm	42pm
LASMO	25p	9	768	+23	830	337
Charterhall	5p	8	83	+ 2	83	52½
Plessey	50p	8	232	+ 4	265	108
BP	25p	7	392	+ 2	412	320
ICI	£1	7	346	− 2	402	346
KCA Intl.	25p	7	169	+ 7	169	41
Racal Electronics	25p	7	313	+ 6	341	175
Rustenburg Plat.	R0.10	7	342	+17	370	184
GEC	25p	6	522	—	540	326
GKN	£1	6	181	—	279	175
RTZ 9½% Cnv.Uns. Ln. 1995-2000	Nil/pd.	6	£8½pm	+ 1	£15pm	£7½pm
Charter Cons.	2p	5	278	+11	280	134
Cons. Gold Fields	25p	5	662	+17	665	385
NatWest Bank	£1	5	406	+ 6	408	305

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 22	Oct. 3	Dec. 18	Dec. 29
Oct. 6	Oct. 17	Jan. 8	Jan. 19
Oct. 20	Oct. 31	Jan. 22	Feb. 2

For rate indications see end of Share Information Service

Stocks favoured for the call included Lonrho, Westland, Montague L. Meyer, Lee Cooper, Dunlop, Higgs and Hill, KCA, Woodside, Helene of London, New Throgmorton Warrants, Lofs, Northern Mining, Charterhall, ICI, Ladbroke Warrants, Premier Oil, Unigate, William Press, Candecca, B. Paradise, Bridon, Northern Kalgurli and Burmah. No puts were reported, but doubles were arranged in Ultramar, Shell Transport, FNFC and BSG.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

FINANCIAL TIMES STOCK INDICES

	Oct. 1	Sept. 30	Sept. 29	Sept. 26	Sept. 25	Sept. 24	A year ago
Government Secs.	70.74	70.18	69.74	70.02	70.24	70.21	[illegible]
Fixed Interest	71.66	71.34	71.36	71.47	71.61	71.78	[illegible]
Industrial Ord.	483.2	481.0	475.6	481.0	484.4	483.1	[illegible]
Gold Mines	524.3	496.9	497.9	499.8	500.0	517.0	[illegible]
Ord. Div. Yield	7.61	7.63	7.72	7.65	7.58	7.64	6.87
Earnings, Yld. % (full)	17.16	17.21	17.41	17.22	17.10	17.18	17.80
P/E Ratio (net) (*)	7.13	7.11	7.05	7.11	7.16	7.15	7.06
Total Bargains	21,615	20,326	19,202	22,216	20,127	20,806	18,580
Equity turnover £m.	—	117.53	105.73	143.27	127.63	132.49	[illegible]
Equity bargains total	—	15,521	15,684	16,866	16,243	16,346	[illegible]

10 am 485.4. 11 am 486.7. Noon 487.0. 1 pm 486.6. 2 pm 485.3. 3 pm 484.3.
Latest Index 01-246 8026.
* Nil = 6.64.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1935, 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.
† Corrected.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (18/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	508.9 (12/9)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.9 (22/9)	265.5 (18/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 1	Sept. 30
—Daily		
Gilt Edged	102.3	90.8
Industrials	98.5	104.7
Speculative	105.0	111.4
Totals	75.4	79.5
5-day Avrge.		
Gilt Edged	86.9	88.4
Industrials	96.1	97.8
Speculative	107.6	115.9
Totals	75.8	78.5

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (69)

BRITISH FUNDS (5)
Exch. 12½pc 1985 A; Exch. 9½pc 1981; Exch. 12pc A (£50 pd.) 1998; Exch. 3pc 1984; Treasury 3pc 1985

CORPORATION LOANS (1)
L.C.C. 5½pc '82-84

AMERICANS (1)
Tesoro Pt.

CANADIANS (1)
Hawker Siddeley Canada

BANKS (3)
Brown Shipley; Royal Bank of Scotland; Hambros

BEERS (1)
Boddingtons

BUILDINGS (4)
Armitage Shanks; Crouch Group; Bryant Hlds.; Jarvis (J.)

STORES (4)
Currys; Paradise (B.); Fine Art Devs.; Wearwell

ELECTRICALS (4)
B.I.C.C.; Suter Elec. Deld.; Electronic Machine; Ward & Goldstone

ENGINEERING (2)
Brown (J.); Hallite

FOODS (1)
Somportex

HOTELS (1)
Ladbroke

INDUSTRIALS (10)
First Castle; Ropner; Hay (Norman); Ropner A; Macfarlane; Standard Ind.; Maynards; Sunlight Services; Pritchard Services; Utd. Carriers

INSURANCE (1)
London United

LEISURE (1)
Webb (Joseph)

PAPER (2)
More O'Ferrall; Watmoughs

PROPERTY (5)
Allied London; Moorview; Imry Prop.; Scot. Metropolitan; Lynton Hlds.

TEXTILES (1)
Levex

TRUSTS (3)
Aberdeen Inv.; English Assoc.; London & Gartmore

OIL & GAS (8)
Candecca; Hunting Petroleum; Carless Capel; KCA; Charterhall; New Court Nat.; Double Eagle; North Sea Assets

OVERSEAS TRADERS (2)
Lonrho; Mitchell Cotts

MINES (8)
East Drie.; Bond Corp.; Elandsrand Gold; York Resources; Cons. Gold Fields; Coseng Cons.; Rand London Coal; Idris

NEW LOWS (15)

BEERS (1)
Guinness

BUILDINGS (2)
Leyland Paint; Roberts, Adlard

STORES (1)
Pawson (W. L.)

ENGINEERING (1)
Newman Tonks

INDUSTRIALS (4)
Alpine Hlds; Marshall's Universal; Dinkie Heel; Sharna Ware; Dunhill (Alfred); UKO Int.

MOTORS (1)
Delbight

NEWSPAPERS (1)
Black (A. & C.)

TEXTILES (1)
Lister

OVERSEAS TRADERS (1)
African Lakes

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	89	—	7
Corpn. Dom. and Foreign Bonds	25	2	36
Industrials	385	149	892
Financial & Prop.	277	28	180
Oils	37	3	16
Plantations	4	1	19
Mines	88	13	38
Others	72	39	72
Totals	976	230	1,257

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Wed., Oct. 1, 1980.

	Equity groups & sub-sections	Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Sept. 30 Index No.	Mon., Sept. 29 Index No.	Fri., Sept. 26 Index No.	Thur., Sept. 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (171)	282.38	+1.0	15.63	5.86	7.78	279.56	278.22	281.17	282.72	243.34
2	Building Materials (28)	249.36	+0.7	18.89	6.87	6.38	247.71	249.37	253.85	252.69	239.11
3	Contracting, Construction (27)	413.72	+0.6	22.23	5.99	5.30	411.44	415.07	420.24	422.09	382.04
4	Electricals (17)	869.90	+0.7	11.22	3.06	10.96	863.70	848.83	857.35	867.63	628.99
5	Engineering Contractors (11)	341.92	+1.6	18.11	7.61	7.04	336.48	337.42	337.60	338.72	328.85
6	Mechanical Engineering (72)	178.52	+1.8	16.26	7.55	7.51	175.33	175.08	176.24	177.05	162.78
8	Metals and Metal Forming (16)	157.65	+1.2	18.52	10.29	6.72	155.84	155.78	157.19	157.89	161.06
11	CONSUMER GOODS (DURABLE) (48)	239.55	+1.6	15.37	5.25	8.90	235.69	234.78	237.66	238.51	240.88
12	Lt. Electronics, Radio, TV (14)	370.02	+1.9	12.87	3.73	11.79	363.11	361.12	365.33	366.90	348.25
13	Household Goods (13)	88.31	+1.3	25.61	11.13	4.94	87.18	87.70	88.12	88.07	142.57
14	Motors and Distributors (21)	97.24	+0.7	22.47	9.62	5.32	96.52	96.52	98.05	98.24	118.88
21	CONSUMER GOODS (NON DURABLES) (171)	238.03	—	17.29	6.80	6.99	237.96	237.94	239.90	240.28	244.27
22	Breweries (14)	276.31	−2.1	16.45	6.67	7.09	282.29	283.62	286.95	287.77	295.14
23	Wines and Spirits (5)	313.46	−1.4	19.53	6.50	6.06	317.89	322.92	323.60	323.60	333.75
24	Entertainment, Catering (17)	339.51	+0.4	17.07	6.58	7.21	338.27	338.86	341.04	341.34	323.15
25	Food Manufacturers (22)	218.96	+0.5	18.33	6.93	6.43	217.91	218.75	219.75	219.97	218.62
26	Food Retailing (13)	388.49	+0.2	12.07	4.00	9.83	387.84	388.59	391.99	392.93	320.70
32	Newspapers, Publishing (12)	456.79	+3.4	20.57	6.99	6.50	441.86	442.32	445.87	446.73	429.92
33	Packaging and Paper (15)	125.83	−0.8	27.82	10.37	4.19	126.89	126.38	128.39	129.54	134.08
34	Stores (44)	235.85	+0.3	13.05	5.34	10.00	235.19	233.58	235.61	236.82	244.30
35	Textiles (21)	119.37	+0.3	26.24	12.91	4.64	119.01	118.87	119.85	119.50	154.74
36	Tobaccos (3)	223.33	+1.3	25.70	10.42	4.43	220.38	220.38	222.87	219.90	248.72
37	Toys and Games (5)	27.99	+3.2	8.03	13.62	28.78	27.12	26.43	24.85	24.42	68.52
41	OTHER GROUPS (98)	220.93	+0.7	15.87	7.08	7.54	219.35	219.36	222.03	223.36	211.35
42	Chemicals (16)	302.36	+0.1	17.53	8.03	6.67	301.93	301.44	306.37	308.44	298.16
43	Pharmaceutical Products (7)	233.95	+0.3	10.73	5.92	11.53	233.17	233.13	236.54	238.70	233.92
44	Office Equipment (6)	102.26	+3.3	19.98	8.11	5.84	98.96	97.01	98.25	100.29	124.15
45	Shipping (10)	558.27	+0.6	13.66	6.53	8.94	555.16	563.21	568.08	571.15	463.71
46	Miscellaneous (59)	278.56	+1.1	16.74	6.71	7.27	275.47	275.99	278.06	278.48	249.57
49	INDUSTRIAL GROUP (488)	252.73	+0.6	16.38	6.49	7.43	251.30	250.89	253.41	254.38	243.37
51	Oils (12)	853.01	+0.3	28.17	6.17	3.95	850.55	837.01	851.09	858.05	727.54
59	500 SHARE INDEX	300.25	+0.5	19.00	6.42	6.22	298.73	297.30	300.73	302.16	282.09
61	FINANCIAL GROUP (118)	250.65	+1.2	—	5.23	—	247.60	247.74	249.54	249.92	199.74
62	Banks (6)	252.96	+1.3	40.39	6.66	2.96	249.79	249.86	251.00	250.41	231.27
63	Discount Houses (10)	297.26	+2.4	—	5.97	—	290.42	291.30	293.79	301.25	255.56
64	Hire Purchase (5)	222.98	+0.6	11.13	4.53	12.13	221.70	221.98	222.75	221.18	181.83
65	Insurance (Life) (10)	262.38	+2.0	—	5.02	—	257.35	257.79	260.54	261.56	167.10
66	Insurance (Composite) (9)	178.20	+1.4	—	6.37	—	175.76	176.18	177.65	177.27	132.73
67	Insurance Brokers (9)	343.45	+2.6	13.49	6.74	10.15	334.66	334.08	337.03	337.23	286.08
68	Merchant Banks (13)	143.95	+0.6	—	5.32	—	143.08	144.21	145.40	147.00	101.87
69	Property (45)	457.62	+0.8	3.13	2.61	44.54	454.08	452.93	456.73	459.37	372.37
70	Miscellaneous (11)	152.87	+0.4	16.80	6.06	7.57	152.30	152.49	152.65	152.56	125.63
71	Investment Trusts (109)	272.57	+1.3	—	5.33	—	269.16	271.69	275.56	276.82	220.00
81	Mining Finance (3)	271.42	+2.2	13.09	4.83	9.30	265.58	268.13	269.79	272.15	139.67
91	Overseas Traders (20)	459.56	+0.6	10.94	6.43	11.01	456.62	457.57	457.22	456.86	354.11
99	ALL-SHARE INDEX (750)	292.41	+0.7	—	6.08	—	290.26	289.58	292.59	293.79	258.98

FIXED INTEREST PRICE INDICES

	British Government	Wed., Oct. 1	Day's change %	Tues., Sept. 30	xd adj. today	xd adj. 1980 to date
1	Under 5 years	107.29	+0.37	106.90	—	7.62
2	5-15 years	113.25	+0.86	112.29	—	9.59
3	Over 15 years	119.14	+0.94	118.04	—	10.19
4	Irredeemables	133.16	+1.37	131.36	—	9.02
5	All stocks	112.99	+0.74	112.16	—	9.80

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Wed., Oct. 1	Tues., Sept. 30	Year ago (approx.)
1	Low Coupons	5 years	11.58	11.71	10.17
2		15 years	11.57	11.71	10.78
3		25 years	11.57	11.71	11.22
4	Medium Coupons	5 years	12.93	13.09	12.17
5		15 years	13.17	13.30	12.28
6		25 years	12.94	13.06	12.49
7	High Coupons	5 years	13.10	13.26	12.57
8		15 years	13.39	13.54	12.77
9		25 years	13.16	13.30	12.66
10	Irredeemables		11.15	11.30	11.05

		Wed., Oct. 1 Index No.	Wed., Oct. 1 Yield %	Tues. Sept. 30	Mon. Sept. 29	Friday Sept. 26	Thurs. Sept. 25	Wed. Sept. 24	Tues. Sept. 23	Mon. Sept. 22	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	53.88	†13.76	53.80	53.93	53.96	53.97	53.95	54.02	54.02	57.61
16	Investment Trust Prefs. (15)	51.78	13.07	51.78	51.78	51.78	51.78	51.78	51.79	51.79	50.89
17	Coml. and Indl. Prefs. (20)	68.18	13.18	68.12	68.12	68.12	68.15	68.18	68.24	68.24	68.43

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	52.1	56.0	+0.8	2.59
Abbey Capital	43.0	46.5	+0.7	5.27
Abbey General	53.8	58.2	+0.9	5.40
Abbey Gilt & F.I. Tst.	113.8	119.7	+1.4	12.43
Abbey Income	33.5	36.2xd	+0.3	9.56
Abbey W'Wide Bd Tst.	91.7	97.0	−0.7	6.91
Abbey Inv. Tst. Fnd.	46.5	50.3	+0.5	5.05
Equitas Prog. Tst.	82.2	88.9	+1.2	4.85

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	93.1	98.0	+0.9	12.39

Allied Hambro Ltd. (a)(g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	86.5	92.6	+1.3	5.99
Brit. Inds. Fund	77.5	82.9	+1.0	6.27
Growth & Income	48.4	51.8	+0.5	5.37
Elect. & Ind. Dev.	43.2	46.2	+0.5	5.30
Allied Capital	91.0	97.4xd	+1.3	4.57
Hambro Fund	133.2	142.5	+1.7	6.09
Hambro Acc. Fund	170.6	182.5	+2.0	4.95
Income Funds				
High Yield Fd.	64.2	68.7xd	+0.5	10.04
High Income	76.4	81.7xd	+1.0	7.77
A. H. Eq. Inc.	44.7	47.3	+0.4	7.99
Govt. Secs.	26.7	27.4	+0.4	11.61
International Funds				
International	32.7	35.0	+0.3	3.09
Pacific Fund	56.6	60.4	+0.6	2.03
Secs. Of America	63.9	68.4	+0.6	2.63
Specialist Funds				
Smaller Co.'s Fd.	52.1	55.7	+0.3	4.58
2nd Smlr. Co's Fd.	60.7	64.9xd	+0.2	4.62
Recovery Sits.	128.1	137.1	+1.5	6.09
Met. Min. & C'dty.	72.1	77.1	+1.2	3.83
Overseas Earnings	67.6	72.3	+0.7	5.33

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.8	40.2	+0.2	11.24
North American	54.0	58.4xd	+1.0	2.95
Canadian Exempt*	59.8	63.3	----	3.73
Canadian Trust	59.9	64.8	+0.8	2.77
Mid Mount High Inc.*	48.1	50.9	----	9.48
Recovery	58.9	64.2	+0.1	6.72
Gilt Trust	44.8	46.8	+0.5	12.38

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	33.6	36.2	+0.8	1.04
Cres. Internat'l.	69.0	74.5	+0.7	2.35
Cres. High. Dist.	41.9	45.2	+0.4	11.28
Cres. Reserves	50.5	54.5	+0.7	5.50
Cres. Tokyo	24.1	26.0xd	+0.3	0.72

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.7	25.0xd	----	12.34

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Sept. 26	219.5	234.2	----	5.72

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.3	19.1	----	7.60
Gt. Winchester O'seas	23.8	26.4	----	4.22

Emson & Dudley Tst. Mngmt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	82.7	88.3	----	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	84.7	89.1	+1.1	4.95

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891

American	28.4	30.5	+0.9	1.07
Gilt + Fixed Int.	26.0	27.4	+0.3	11.97
Growth + Income	31.1	33.5	+0.4	7.25
Special Sits.	36.3	39.1xd	+0.5	2.28

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

INSURANCE PROPERTY BONDS

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Sel. Mkt. Fd. Cap.	107.8	113.9	----	—
Sel. Mkt. Fd. Std.	130.4	137.7	----	—
Pension Equity	169.1	174.2	−3.0	—
Pension Fxd. Int.	146.0	150.5	−0.3	—
Deposit Fd. Acc.	57.0	60.1	+0.1	—
Equity Fd. Cap.	52.5	55.3	----	—
Equity Fd. Acc.	59.0	62.2	−1.2	—
Fxd. Int. Cap.	49.9	52.6	−0.4	—
Fxd. Int. Acc.	55.4	58.4	−0.4	—
Intnl. Cap.	38.5	40.6	−2.4	—
Intnl. Acc.	44.4	46.8	−2.8	—
Managed Fd. Cap.	51.0	53.7	−1.0	—
Managed Fd. Acc.	56.8	59.9	−1.0	—
Property Fd. Cap.	69.9	73.7	+0.2	—
Property Fd. Acc.	75.7	79.8	+0.3	—

Provincial Life Assurance Co. Ltd.
222 Bishopsgate, EC2. 01-247 6533

Prov. Managed Fd.	149.6	157.5	+1.5	—
Prov. Cash Fd.	125.8	132.5	----	—
Gilt Fund	136.2	143.4	+2.3	—
Property Fund	130.3	137.2	----	—
Equity Fund	137.7	145.0	+1.6	—
Fxd. Int. Fund	115.4	121.5	+1.5	—

Prudential Pensions Limited♦
Holborn Bars, EC1N 2NH. 01-405 9222

Equity Fd. Sep. 19	35.96	37.07	----	—
Fixed Int. Sept. 19	24.00	24.32	----	—
Prop. Fd. Sept. 19	40.83	42.09	----	—

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271

Rel. Prop. Bds.		296.3	----	—

Rothschild Asset Management
St. Swithins Lane, London EC4. 01-626 4356

N.C. Prop.	159.0	169.1	----	—

Next sub. period Sept. 30/Oct. 15

Royal Insurance Group
New Hall Place, Liverpool. 051-227 4422

Royal Shield Fd.	191.7	202.8	----	—

Save & Prosper Group
4, Gt.St.Helen's, Lndn., EC3P 3EP. 01-554 8899

Bal. Inv. Fd.	161.9	171.4	+0.3	—
Property Fd.*	205.2	217.2	----	—
Gilt Fd.	144.6	153.1	+2.0	—
Deposit Fd.†	148.1	156.9	----	—
Comp. Pens. Fd.†	287.6	304.4	−3.6	—
Equity Pens. Fd.	280.1	296.5	+4.9	—
Prop. Pens. Fd.*	353.3	373.9	----	—
Gilt Pens. Fd.	122.7	129.9	+1.9	—

Welfare Insurance Co. Ltd.♥
Winslade Park, Exeter. 0392-52155

Moneymaker Fd.		120.5	----	—

For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	94.4	99.3	----	—
Accum. Pen. Units	140.4	147.7	----	—
Flex. Inv. Growth	121.5	127.9	----	—
Future Ass'd Growth	26.0(A)	58.0(B)	----	—
Ret. Ass'd Pen.		£31.89	----	—

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	US$170.0	172.38	----	1.29

Next dealing Oct. 31.

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund		US$12.97	−1.03	—

Net asset value Sept. 29

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.26	10.27	----	11.17
AHR Gilt Edg. Fd.	£12.24	12.31	+0.11	13.00

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Daily Div. Sept. 30 0.000282 (10.6% pa)

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

East & Intl. Tst. (CI)	125.0	132.0xd	----	2.66
Dealing day Thurs.				
Gov't Secs. Tst. (CI)	83.5	87.9xd	+0.5	14.52
Daily Dealings.				
Sterling Fd.	110.1	116.2	+0.3	—
Dealing on Wed.				

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or -	Int.	Red.
91	82¼	Aust. 5½pc '81-82	[illegible]	+¼	6.16	13.65
85¼	72½	Do. 6pc 1981-83	84¼	+¼	7.29	12.77
67	58	N.Z. 7½pc 1988-92	56¼	+¼	11.30	13.30
81½	72	Do. 7½pc '83-86	81¼	+¼	9.49	12.76
96¾	88	Sth. Africa 9½pc '79-81	93½	+¼	10.07	15.32
160	95	S. Rhod. 2½pc Non-Ass.	98	-6	—	29.86
169	133	Do. 6pc '78-81 N.-Ass.	143	-6	—	29.21

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INDUSTRIALS—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

INSURANCE

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

INSURANCE—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

LEISURE

[illegible]								

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]								

Commercial Vehicles

[illegible]								

Components

[illegible]								

Garages and Distributors

[illegible]								

NEWSPAPERS, PUBLISHERS

[illegible]								

PAPER, PRINTING ADVERTISING

[illegible]								

PROPERTY

[illegible]								

PROPERTY—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

SHIPPING

[illegible]								

SHOES AND LEATHER

[illegible]								

SOUTH AFRICANS

[illegible]								

TEXTILES

[illegible]								

TOBACCOS

[illegible]								

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]								

INVESTMENT TRUSTS—Cont.

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

Finance, Land, etc.

[illegible]								

FINANCE, LAND—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

OIL AND GAS

[illegible]								

OVERSEAS TRADERS

[illegible]								

RUBBERS AND SISALS

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]							

TEAS

India and Bangladesh

[illegible]							

Sri Lanka

[illegible]							

Africa

[illegible]							

MINES

Central Rand

[illegible]							

Eastern Rand

[illegible]							

Far West Rand

[illegible]							

O.F.S.

[illegible]							

Finance

[illegible]							

Diamond and Platinum

[illegible]							

Central African

[illegible]							

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	21	Acmex 50c	28	......	—	—	—
24	12	ACM 20c	19	......	—	—	—
152	52½	Bond Corp.	152	+4	Q7½c	ϕ	2.6
156	86	Bougainville I Kina	122	......	¶Q52	1.0	10.9
*347	221	CRA 53c	314	......	lQ15c	2.2	8.4
25	11½	Canada Northwest	13	......	—	—	—
42	8	Carr Boyd 20c	32	......	—	—	—
395	152½	Central Pacific	365xc	−5	—	—	—
41	17	Cultus Pacific N.L.	30	......	—	—	—
52	20	Eagle Corp. 10c	45	......	—	—	—
28	15¼	Endeavour 20c	26½	......	—	—	—
600	175	G. M. Kalgoorlie 25c	545	+25	Q13c	ϕ	1.2
46	15	Great Eastern	26½	......	—	—	—
245	130	Hampton Areas 10p	225	......	h2.25	2.4	1.4
204	30	Hecla Gold N.L.	173	+6	—	—	—
62	15	Intl. Mining	47	−3	—	—	—
720	80	Leichardt Expln.	140	−10	—	—	—
30	7	Metals Energy	22	+1	—	—	—
91	41	Metals Ex. 50c	81	+1	Q3c	ϕ	1.9
32	6½	Metramar Mns. 20c	32	......	—	—	—
264	150	M.I.M. Hldgs. 50c	255	−5	bQ24c	ϕ	4.9
21	7	Minefields Expl. 25c	16	−2	—	—	—
155	60	Mount Lyell 25c	116	......	Q15c	ϕ	6.9
28	15	Newmetal 20c	20	......	—	—	—
55	13	Nickelore N.L.	38	+1	—	—	—
214	137	North B. Hill 50c.	129	−5	Q18c	ϕ	5.0
119	49½	Nth. Kalgurli	115	+6	—	—	—
165	90	Nth. Mining Corp.	150	......	—	—	—
134	24	N. West Mining N.L.	166	+6	—	—	—
235	144	Oakbridge $A1	162	......	Q12c	4.7	3.4
153	70	Otter N.L.	130	......	—	—	—
240	132	Pacific Copper	202	+2	—	—	—
465	255	Panconti 25c	395	+15	—	—	—
78	42	Paringa M&E 5p	61	−1	—	—	—
575	335	Peko-Wallsend 50c	565	+5	tQ17.5c	ϕ	1.6
230	140	Seltrust A	152	......	—	—	—
150	57½	Southern Pacific	147xc	......	—	—	—
100	31	Swan Resources 20c.	92	......	—	—	—
34	8	West Coast 25c	24	+2	—	—	—
313	177	Westn. Mining 50c.	225xd	+3	Q14c	ϕ	2.5
30	10	Westmex	13	......	—	—	—
108	55	Whim Creek 20c	100	+2	—	—	—
57	10½	York Resources	37	+3	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	14	Amal Nigeria 1p	17½	......	‡6.9	—	—
370	255	Ayer Hitam $M1	315	−4	‡tQ250c	0.9	‡
72	42	Beralt Tin	72	......	4.5	3.2	8.9
300	149½	Berjuntai $M1	225	+5	Q95c	ϕ	7.7
230	150	Geevor	159	......	8.4	1.5	8.0
12½	10	Gold & Base 12½p	12½	......	—	—	—
730	310	Gopeng Cons.	730	+60	†25.0	1.0	4.9
440	280	Hongkong	420	......	‡Q5.27	ϕ	‡
135	93	Idris 10p	135	+5	14.0	1.2	14.9
15	12½	Jantar 12½p	13	−1	1.5	ϕ	16.5
115	64	Kamunting $M0.50	98	......	Q50c	1.0	0.0
476	150	Killinghall $M1	475	......	‡hQ30c	ϕ	2.1
125	48½	Malay Dredging 10c	105	+6	mQ20c	2.6	2.0
42	26	Pahang	35	......	0.44	0.3	1.8
112	83	Pengkalen 10p	110	......	6.0	1.3	7.9
335	230	Petaling $M1	330	......	tQ150c	1.4	9.5
44	22	South Crofty 10p	22	......	1.0	ϕ	6.5
305	215	Sungei Besi $M1	250	......	Q420c	1.1	40.7
100	22½	Supreme Corp. $M1	99	......	hQ5c	—	1.8
125	90	Tanjong 15p	120	......	ϕ5.75	6.6	6.8
115	73	Tongkah H. Tin	102	+2	Q45c	1.3	9.9
355	220	Tronoh $M1	320	......	‡tQ250c	0.7	‡

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
255	130	Messina R0.50	245	......	mQ10c	ϕ	2.3

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	160	......	—	—	—
97	52	Barymin	55	−2	—	—	—
17	12	Burma Mines 10p	14	......	0.62	1.1	6.4
267	53	Colby Res. Corp.	220	......	—	—	—
502	285	Cons. Murch. 10c.	350	......	Q100c	1.8	15.9
180	80	††Hemerdon 10c.	95	......	—	—	—
585	325	Northgate C$1	400	+10	—	—	—
*466	322	R.T.Z.	452xr	+6	u16.0	3.2	5.0
46	16	Robert Mines	45	+20	—	—	—
112	91	††SPO Minerals 10p	93	......	—	—	—
58	26	Sabina Inds. C$1	37	−3	—	—	—
51	31	††SWCM 10p	39	......	—	—	—
650	411	Tara Exptn. $1	570	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- § Not comparable.
- ϕ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ϕ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value.
- ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	35	......	Conv. 9% '80/82	£94	......
Bertam	15	......	Nat. 9¾% 84/89	£83	+⅛
Bdg'wtr. Est. 50p	455	......	Fin. 13% 97/02	£89½	+¼
Craig & Rose £1	£11	......	Alliance Gas	51	......
Fife Forge	37	......	Arnott	210	......
Finlay Pkg. 5p	27	......	Carroll (P.J.)	77	......
Graig Ship. £1	£15	+1½	Clondalkin	110	......
Higsons Brew	72	−1	Concrete Prods.	85	+5
Holt (Jos) 25p	258	......	Helton (Hldgs.)	36	......
I.O.M. Stm. £1	155	+3	Ins. Corp.	275	......
Pearce (C. H.)	480	......	Irish Ropes	38	......
Peel Mills	46	......	Jacob	32	......
Sheff. Refrshmt	99	......	T.M.G.	70	−2
Sindall (Wm.)	141	......	Unidare	75	......

OPTIONS

3-month Call Rates

Industrials					
		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BOC Intl.	6	I.C.L.	14	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	10	Lex Service	3	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys	5½	Midland Bank	26	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	52
Debenhams	6	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	10
Dunlop	7½	Plessey	14	KCA	11
Eagle Star	15	Racal Elect.	22	Premier	13
F.N.F.C.	2¼	R.H.M.	6½	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	19	Sears	5		
Grand Met	22	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23		
Guardian	23	Trust Houses	12	Charter Cons.	14
G.K.N.	20	Tube Invest.	23	Cons. Gold	40
Hawker Sidd	25	Unilever	40	Lonrho	8
House of Fraser	25	U.D.T.	9½	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 32

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Thursday October 2 1980

Tehran confidence grows as Iraqis fail to capture Khuzestan cities

Iran pledges Hormuz freedom

BY ROGER MATTHEWS

IRAN promised yesterday that it would guarantee the freedom of passage for ships through the vital Strait of Hormuz at the mouth of the Gulf.

The Iranian pledge seemed to reflect growing confidence in their ability to contain the Iraqi advance. After 10 days of fighting, the Iraqi army has still failed to capture any of the four main cities in Khuzestan province although it does now control most of the main communication and oil supply routes. Tehran claimed last night that it had even retaken the border town of Mehran which fell to Iraqi forces last week.

The statement on the Strait of Hormuz by Mr. Mohammed Ali Rajai, the Iranian Prime Minister, could also be seen as a reply to the U.S. which has sent four of its advanced radar and communications aircraft to Saudi Arabia.

The aircraft will enable the U.S. to more closely monitor all military movements in the Gulf and could also serve as a vital communications link between Washington and its naval force in the area.

In Baghdad, there is growing embarassment at the army's failure to achieve what has previously been announced in official communiques. Despite repeated announcements, the port of Khorramshahr on the Shatt al-Arab waterway has still not fallen. Fighting continues on the outskirts of nearby Abadan.

The towns of Dezful and Ahwaz, the key to control of Khuzestan, are officially under siege. But the Iranians claim that the Iraqi forces are being held and even counter-attacked. There are also reports that Iran, which has still to commit much of its army to the battle, is hurrying reinforcements to the area.

The emphatic refusal on Tuesday night by Ayatollah Khomeini, the Iranian religious leader, even to consider negotiations until all Iraqi troops are off Iranian soil has added to concern in Baghdad and the West that the conflict may last far longer than had been originally anticipated.

Iran has not yet replied officially to the call by the United Nations Security Council on Sunday for a ceasefire, a request that was swiftly accepted, though only with conditions, by Iraq.

Diplomats say that despite shortages of food and oil, Iran has the capacity to continue the war for some time, even if on a reduced scale. This could ensure that Iraq will remain unable to ship any crude oil from its Gulf terminals.

According to American reports, Iraqi oil facilities, although frequently bombed by Iran, have not so far been greatly damaged and could resume exports soon after hostilities ceased.

Senator Henry Jackson, chairman of the Senate energy committee, said after being briefed with other Congressmen by Administration and Intelligence officials that the hardest hit seemed to be those Iraqi refineries that process oil for domestic consumption.

At the UN President Zia Ul-Haq of Pakistan, who has just completed visits to Tehran and Baghdad at the head of an Islamic "goodwill" mission, blamed the pressures of superpower rivalry for the Gulf war.

"An essential condition for the return of peace between them would be the observance of strict neutrality and non-interference in their internal affairs by the outside powers," he told the UN General Assembly.

In Beirut, the Iranian charge d'affaires, Mr. Mahdi Amir Kamali, said that if the U.S. intervened the American hostages would be killed.

The French Atomic Energy Commission said yesterday it was evacuating most of its staff from the research establishment near Baghdad. Annexe buildings were hit during an Iranian raid on Tuesday but no damage was done to the plant.

The consequences of the Gulf conflict were discussed at a meeting of the International Energy Agency's governing board, called at 24 hours' notice after the meeting of the organisation's standing group on oil markets on Tuesday, writes Robert Mauthner in Paris. Member governments undertook to ask oil companies not to build up stocks since a run-down is preferable to compensate for Iraqi and Iranian production losses. IEA stocks of oil products, by Tuesday, totalled 460m tonnes—or 110 to 120 days' consumption.

The board also agreed to "urge and guide" both private and public buyers, to refrain from any abnormal purchases on the spot market.

Australia plans big liquid fuel plant

BY JAMES FORTH IN SYDNEY

PLANS which would virtually ensure that Australia was self-sufficient in its liquid fuel requirements by the early 1990s have been laid by a consortium of Australian mining and investment companies. They involve setting up a A$3bn (£1.5bn) oil-from-coal liquefaction plant in Queensland.

The oil-from-coal consortium, headed by Peko-Wallsend, the mining group, is considering whether the coal-oil process used by Sasol in South Africa could be applied.

The announcement comes one day after it was formally decided that the North-West Shelf liquefied natural gas project is to proceed, and on top of the Rundle oil-from-shale development in Queensland on which Exxon, the world's largest company, announced this summer that it was prepared to spend US$13-15bn.

The initial participants in the group, with Peko-Wallsend, include Morgan Grenfell Australia, Oil Company of Australia, Resources Development Corporation and, subject to final agreement, the National Mutual Life Association of Australasia.

Morgan Grenfell Australia said last night that BP Australia had expressed interest in the outcome of a preliminary feasibility study by Fluor Engineers and Constructors, of the U.S., due to be completed by late December, and that this was expected to determine BP's formal position in the project.

In London, BP said that although it was interested in the idea of coal liquefaction it was "not involved at this stage" in discussions about setting up a plant in Australia.

A company, Australian Coal Corporation (ACCOR), is to be set up to bring into production the venture, which is expected to provide Australia's first coal-oil liquefaction plant.

The plan is based on the Millmerran coal deposits in South-East Queensland, estimated to contain 1.6bn tonnes of reserves.

A large tonnage of coal, it is said, is to be subjected to a commercial test in a Sasol plant early next year, to define the possible range of the Australian plant.

Earlier this year, BP tried to buy into the Millmerran prospect but appeared thwarted by AMAX, the U.S. natural resources group, and Mitsui, the Japanese group, which holds authority to prospect the area. AMAX and Mitsui are expected to supply ACCOR with coal for liquefaction.

Other Australian groups may joint ACCOR. The company is expected to offer a small percentage of its capital to local investors.

If the plan proceeds, it would take five years to build the plant, which would be in production by 1986.

Way clear for Blue Circle deal

By Andrew Fisher

THE WAY was cleared by the Monopolies Commission yesterday for Blue Circle Industries, Britain's largest cement group, to renew its bid of about £30m for Armitage Shanks, the bathroom fittings company.

Seven months after the surprise news that the bid had been referred for investigation, the commission concluded in its report yesterday that Blue Circle's purchase of Armitage would not be against the public interest.

Blue Circle's bid lapsed after the monopolies reference with the group controlling just over 60 per cent of the shares of Armitage.

The group has said previously, however, that it intended to proceed with its takeover of Armitage, the last major independent sanitary ware maker in the UK, if it received official approval. Blue Circle is known not to want to increase its bid, but it is understood that the Armitage board would like a higher offer.

In the expectation that the offer would be tabled again, shares of Armitage Shanks gained 5p yesterday to 113p, while those of Blue Circle shed 2p to close at 346p. The rise in Blue Circle's shares values its original bid at £36.3m, or 115p per Armitage share, against £28m on the day the bid was announced in January.

Ceramics Investments, a Lebanese-controlled company which has a stake in Armitage of more than 28 per cent, is planning to have talks with both companies now the bid has been cleared.

Brazil tries to heal rift with IMF

By Nicholas Colchester

SR. ERNANE GALVEAS, the Brazilian Finance Minister, and Sr. Carlos Langoni, Governor of Brazil's Central Bank, are today meeting top officials of the International Monetary Fund as part of a search by Brazil for a pretext to heal its long-standing rift with the IMF.

The rift has led Brazil to avoid the IMF, as a source of finance, despite its heavy international indebtedness. A major problem will be to find a formula which will be politically acceptable in Brazil, where independence from the IMF has become a nationalist principle.

The ostensible purpose of today's meeting is to give the Brazilians the opportunity to hear what substantive changes there have been in the IMF's approach to financing and lending. The claim that the Fund has changed in character colud well provide a formula to overcome political opposition in Brazil to renewing ties with the IMF.

Sr. Langoni said yesterday: China's membership, was "a sign that the IMF is changing from its old orthodox position."

Brazil is not making any request for finance, confining contact with the Fund to "mutual evaluation."

The Brazilian Government clearly hopes that the more restrictive economic policies which soaring inflation and heavy international debt have forced on it will satisfy the IMF.

Within the IMF, there is known to be some feeling that the Brazilian Government is already taking many of the necessary steps.

Other IMF reports, Page 4

Commission acts on EEC steel

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission last night set in motion diplomatic and legislative machinery aimed at making itself overlord of the EEC steel industry.

Commission officials believe there is only a very slim chance of avoiding recourse to previously unused treaty powers that will compel steelmakers to slash production levels.

The permanent representatives to Brussels of all EEC member states were last night convened by Viscount Etienne Davignon, the Industry Commissioner, for confidential discussions on the "manifest crisis" measures.

The Commission is drawing up these and expects to propose them at the October 7 Council of Ministers meeting in Luxembourg.

The need to invoke the emergency authority contained in Article 58 of the European Coal and Steel Community's Treaty of Paris has been brought about by the breakdown of the steel industry's voluntary price and production disciplines.

A key meeting here on September 30 between the 12 largest steel groups and M. Davignon failed to yield agreement on a fresh pact that could save the voluntary Davignon Plan.

The Commission is known to be reluctant to adopt mandatory controls, and was yesterday conducting eleventh-hour negotiations with a number of steel companies. But Brussels officials put the likelihood of Article 58 being pushed through the Foreign Ministers' Council "at 85 per cent on."

A final decision on the scope and duration of the powers to be sought will be made when the 13-member European Commission meets next Monday.

Alan Pike writes: British steel producers believe that M. Davignon may make yet one more attempt to gain voluntary agreement on steel industry prices and production levels before compulsory powers are invoked.

The British Steel Corporation and the British Independent Steel Producers Association would support the declaration of a manifest crisis and the use of Article 58 of the Treaty of Paris if this proved the only way of maintaining price and output discipline.

● Mr. Dan Horton, chairman of Hadfields, the Sheffield-based private steel company, yesterday denied shop stewards' suggestions that the company faced closure but admitted that the drop in steel demand had caused serious problems.

Trigger prices move Page 5

Labour Left victories

Continued from Page 1

has the grip of the Left on the party been increased substantially by mandatory reselection and the prospective change in the leadership election rules, but it has brought substantially nearer the possibility of Britain leaving the European Community.

The conference voted by a majority of more than two to one in favour of making Britain's withdrawal a priority in Labour's next election manifesto. The scale of the majority virtually ensures that the policy will now be included in Labour's programme.

This is the first time the party has come out unequivocally for withdrawal. On previous occasions, although there has been a substantial anti-Market majority, party leaders have managed to qualify opposition by resourse to the referendum or to promises of renegotiation.

This time, despite Mr. Callaghan's victory on the drafting of the manifesto and the fact that a General Election could be over three years away, it will be extremely difficult for the leadership to change the policy or to ensure that it does not appear in the manifesto.

Anti-Market feeling during the debate ran high and party leaders acknowledged tha t a policy of withdrawal would be a major electoral attraction. It would also place the Conservatives in a difficult tactical position.

Mr. Peter Shore, shadow Foreign Secretary—and, now more than ever, a formidable contender for the leadership—made a highly effective speech combinig a fierce attack on EEC membership with an appeal to pro-Marketeers to stay in the party.

Our Brussels staff adds: Leaders of the Socialist group in the European Parliament were perturbed about the decision.

Mr. Ernest Glinne, chairman of the group, said: "I am deeply concerned that the Labour Party should continue to play its part in supporting the battle for reform of the Community. At the same time the Socialist group will continue to support many of Labour's demands as it already has done over the question of the British budget contribution.

Howe returns to spending review

BY PETER RIDDELL, ECONOMICS CORRESPONDENT, IN WASHINGTON

SIR GEOFFREY HOWE, the Chancellor of the Exchequer, left Washington last night for a Cabinet meeting in London this morning to face a major review of public spending plans and of monetary policy.

He has been studiously non-committal about domestic policies during his nine-day visit to the Commonwealth and International Monetary Fund meetings in Bermuda and Washington, largely, it appears, because decisions have not yet been taken.

Sir Geoffrey conceded yesterday that some adjustment of weapons and tactics might have to be considered. He said that the Government was right to pursue the medium-term financial strategy with broadly the same instruments as now, but how well or less well the weapons were working would be looked at and changes made.

The main immediate decisions concern nationalised industries' financial problems during the rest of 1980-81, public spending plans for next year, monetary control techniques, and the rebasing of the monetary target for the next 12 months.

Some officials are apparently pressing for a broader rather than a narrower review of policy, following the recent money supply and public sector borrowing problems.

They appear to be arguing that questions of short-term monetary control — discussed at the joint Treasury and Bank of England seminar earlier this week — have to be considered at the same time as the issue of the degree of emphasis placed on Sterling M3, the single monetary objective, and the balance of fiscal policy.

Ministers are waiting for the latest short-term economic forecasts and especially for the public borrowing projections to see whether any further fiscal action needs to be taken this year.

However, some indication of official thinking may be given in a fortnight by both Sir Geoffrey and Mr. Gordon Richardson, the Governor of the Bank, when they speak at the annual bankers' dinner in the City.

This review is clearly affecting the decision on interest rates, and Sir Geoffrey yesterday did nothing to arouse expectation.

In his speech to the annual meeting, Sir Geoffrey defended Britain's overseas aid performance and the proposed cuts in Government spending on this programme in face of criticism from, among others, Mr. Robert MacNamara, the President of the World Bank.

David Marsh in London adds: The Bank of England yesterday extended part of its financial help to the money market in order to relieve shortages of liquidity and hold down very short-term interest rates.

It announced it was prolonging for a further month a facility under which the banking system can borrow up to £500m through the sale and repurchase of Government securities.

Weather

UK TODAY

MOST of Britain will be dry with early fog patches, some ground frost, mist or cloud clearing, sunny periods later. Temperatures near normal. Max. 14-17C (57-63F).

Argyll N.E. and N.W. Scotland

Sunny intervals, increasing cloud, rain in places later. Max. 14C (57F).

Orkney and Shetland

Scattered showers dying out, becoming mainly dry with sunny periods developing. Gales occasionally Max. 12C (54F).

Outlook: North, rain followed by shower; South, dry with rain later. Temps near or above normal becoming colder in North.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	L. Plms.	S	27	81
Algiers	F	28	82	Lisbon	S	28	82
Amsdm.	C	17	63	Locarno	S	20	68
Athens	S	23	73	London	F	19	66
Bahrain	S	34	93	Luxmbg.	F	14	57
Barcina.	S	27	81	Luxor	S	34	93
Beirut	S	26	79	Madrid	S	27	81
Belfast	F	14	57	Majorca	S	28	82
Belgrd.	C	16	61	Malaga	S	26	79
Berlin	S	15	59	Malta	F	26	79
Biarritz	C	19	66	M'chstr.	R	15	59
Bmghm.	C	16	61	Milan	S	22	72
Blackpl.	F	15	59	Mntreal.	C	8	46
Bordx.	C	19	66	Moscow	C	4	39
Boulgn.	C	16	61	Munich	C	13	55
Bristol	R	16	61	Nairobi	S	26	79
Brussels	S	17	63	Naples	S	27	81
Budpst.	F	16	61	Nwcstl.	C	14	57
Cairo	F	28	82	N. York	C	17	63
Cardiff	R	16	61	Nice	S	23	73
Cas'b'ca	S	26	79	Nicosia	S	26	79
Cape T.	F	20	68	Oporto	S	29	84
Cologne	F	16	61	Oslo	R	11	52
Cpnhgn.	S	15	59	Paris	F	19	66
Corfu	S	25	77	Perth	C	17	63
Dublin	C	13	55	Prague	F	13	55
Dbrvnk.	S	23	73	Reykjvk.	C	8	46
Ednbgh.	S	14	57	Rhodes	S	24	75
Faro	S	28	82	Rome	S	25	77
Florence	F	22	72	Salzbrg.	F	15	59
Frankft.	F	16	61	Stckhm.	S	12	54
Funchal	C	24	75	Strasbg.	F	18	64
Geneva	S	17	63	Sydney	S	20	68
Gibraltar	S	25	77	Tangier	S	29	84
Glasgow	S	13	55	Tel Aviv	S	25	77
G'rnsey	C	15	59	Tenerife	S	20	68
Helsinki	C	8	46	Tokyo	C	22	72
H. Kong	S	27	81	Tunis	F	28	82
Innsbrk.	F	19	66	Valencia	S	31	88
Invrnss.	S	13	55	Venice	F	21	70
I.of.Man	F	14	57	Vienna	S	16	61
Istanbul	S	19	66	Warsaw	C	12	54
Jersey	R	17	63	Zurich	C	17	63
Jo'burg	S	18	64				

C—Cloudy. F—Fair. R—Rain. S—Sunny

THE LEX COLUMN

When evenings draw in

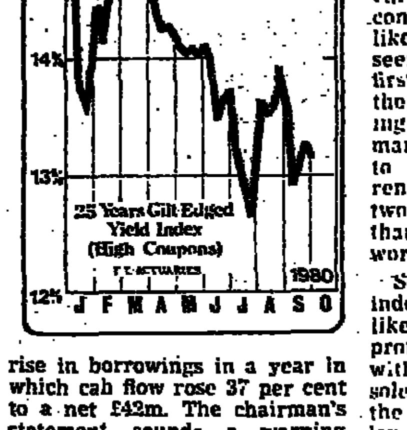
Associated Newspapers' decision to shut the Evening News marks a reversal of the balance of power in the negotiations three years ago when the Beaverbrook board almost agreed to close the Standard. The big difference now is that the Standard has the financial muscle of Trafalgar House behind it whereas Associated, while not exactly weak, is nevertheless being badly burnt by the scale of the losses at the News. In 1979 these were said to be running at £7.5m a year before the benefits of a major cost reduction plan. Now the collapse of the classified advertising market since May must have swelled the losses once again to frightening proportions. The Standard, too, was heading for "substantial" losses in the financial year which has begun.

The difficulties at the Standard must explain why Trafalgar did not simply wait for the News to bleed itself to death. It has sold cheaply to Associated a face saving 50 per cent share in the potentially profitable monopoly Standard. On the other hand it is keeping all the benefits of the printing contract and is leaving Associated to cope with the whole of the redundancy payments due to 1,750 highly paid Fleet Street workers. In 1979 the cost of axeing 520 jobs was estimated at £6m, so the sums could be damaging, even though the group's balance sheet a year ago showed net worth of £93m.

Speculation will now begin about the further implications. Plainly there is a threat to the profitability of the Daily Mail now that overheads will no longer be shared with the News. If this encourages Associated to go ahead with the long mooted launch of a Sunday Mail it would hit at the only moneymaker in Express Newspapers, the Sunday Express — which apparently is no longer covering the losses of the Daily Express, the Star and the Standard.

Meanwhile, a factor in Associated's decision to deal over the News must have been the impact of the recession on its cash flow from the provincial newspaper chain; the interim statement in July warned of lower second half profits. But the stock market, at least, decided that no News was good news, with Associated's share price jumping 24p to 309p, and Trafalgar firm too.

Index rose 2.2 to 483.9



25 Years Gilt Edged Yield Index (High Coupons)
F.T.-ACTUARIES

Asda

Associated Dairies' annual reports shows the cost of its store expansion programme in a £13m rise in borrowings in a year in which cab flow rose 37 per cent to a net £42m. The chairman's statement sounds a warning note to the effect that the group is not going to pay silly prices for land. The board is "extremely disturbed by the escalating costs of new sites," and is determined not to bid up "where it can be clearly seen that an acceptable return on capital outlay is unachievable."

Some of the hottest competition for new sites is coming from International Stores, which has not been remarkable recently for its return on capital. But the Asda chairman's statement must also strike a chord at Tesco, which has gone heavily into debt in the interests of physical expansion—its fixed asset spending last year was twice Asda's, at nearly £100m. Tesco's financial burden must be increased by its apparent difficulties in selling existing properties to institutions on ... it sees as the right terms.

Asda already has enough sites with planning permission to last for a couple of years, so its statement does not signal an imminent halt to the group's physical growth. But if new openings are becoming uneconomical on the basis of current supermarket trading margins, a price-cutting campaign by one of the big groups in search of market share could have very uncomfortable consequences.

Blue Circle/Armitage

The Monopolies Commission published its all too predictable verdict on the agreed takeover of Armitage Shanks by Blue Circle Industries yesterday, and with the go-ahead the two companies are now settling down to hammer out new terms. Since the January merger, proposals the BCI share price has moved up from 266p to 346p—helped by expectations of a big jump in profits this year—so that the original two-for-six equity version of the offer is now worth 30 per cent more at 115p a share. Meanwhile the current weakness of the UK construction sector makes it likely that Armitage will have seen a profits decline in its first half. Nevertheless, with the Armitage share price gaining 5p yesterday to 113p, the market is clearly expecting BCI to do the decent thing and renew its offer on the basis of two-for-six shares again, rather than on the original cash worth.

So a completely viable independent concern seems likely to disappear into the protective embrace of a giant with an urge to diversify. The sole effect of the reference to the commission has been to delay the process by half a year. When the surprise reference was made it was widely hoped that the commission would seize the opportunity to clarify—at long last—official policy on conglomerate mergers. But in this report it has specifically retreated from making such a statement. The commission, as always, is acting within its legal constraints, and it looks as if any new policy initiative will have to come from the policitians.

Money market

The generally easier conditions in the money market over the past month have given the Bank of England scope to allow its repurchase agreements on the banking system's gilt-edged stock to lapse. Yet somewhat to the market's surprise the Bank has decided to extend the first £500m facility, which was due to mature on Monday, for another month. It seems to be concerned about the continuing shortage of reserve assets, which is by no means confined to banking make-up days, and unwilling to risk provoking any rise in interbank rates.

Some banks may in any case decide to let their facilities lapse: the extra cost of funding themselves in the interbank market, rather than at Minimum Lending Rate from the Bank, is not now very large, and they stand to gain a good deal of flexibility. The Bank must be keen to reduce the size of the repurchase if only to give itself room to increase it again. It seems likely, for instance, that the short money markets will be very tight again early in 1981.

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